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Financial Statement of the Government of India
1895-96

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BOMBAY BRANCH

OF THE

ROYAL ASIATIC SOCIETY.

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India Office,
29 May 1895.

ARTHUR GODLEY,
Under Secretary of State for India.

(*Mr. Secretary Fowler.*)

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GOVERNMENT
OF
INDIA
FINANCE
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FINANCIAL STATEMENT FOR 1895–96.

PART I.

GENERAL REVIEW.

PRELIMINARY.

1. THE Financial Statement for 1895–96 is, according to the now established practice, presented in two parts, viz., Part II., which goes through the subject in regular order and in detail, and Part I., which presents the same facts in a more general shape, and may be taken as my review of them. I do not consider myself tied down in this review to any particular order of statement, but hope by its means to give a general idea of the subject, leaving those who wish for greater details to refer to the second part. I have to give an account of a period of exceptional activity and anxiety in matters financial, and I shall do so the more clearly if I draw attention rather to the salient features of the year's history than to the mere arithmetic of the estimates.

2. The tabular statements A. and B., of revenue and expenditure, are prepared in the usual form (*vide* Appendix); but in the difference columns, in which the increase and decrease under each head of Revenue or Expenditure are stated, I have excluded that part of the difference which arises solely out of the change of the rate at which the English revenue or expenditure is brought to account. It would be useless to be perpetually explaining that out of a stated difference under some particular head of (say) Rx. 100,000, Rx. 90,000 is due to difference in the exchange column, and only Rx. 10,000 was the real difference of revenue or expenditure which requires to be noticed as such.

3. I wish to draw attention to the new form we have given to Statement E., the Statement of Net Revenue and Expenditure. This form follows, but is not in such great detail as, a "Return of the Net Income and Expenditure of British India" prepared by the Right Honourable Mr. Fowler for the House of Commons in July last. The arrangement of the heads is a suggestive one, and for that reason we have, in a separate abstract, Form F., given the figures for the ten years preceding 1893-94, taking them for the most part from the Parliamentary Return referred to.

ACCOUNTS OF 1893–94.

4. The Revised Estimate for 1893–94, which I presented last year, worked out to a deficit of Rx. 1,792,800; the actual result, in making up the accounts, is a deficit of Rx. 1,546,998, being Rx. 245,802 better than the estimate. It must be borne in mind, in comparing this with subsequent years, that the accounts of 1893-94 included a charge for Rx. 1,060,954 for Railway construction under the Famine Insurance Grant, and that without this charge the deficit would stand at Rx. 486,044 only.

5. Of this difference Rx. 89,182 is due to revenue received on Imperial account in India, which was Rx. 66,748,382, against an Estimate of Rx. 66,659,200. Rx. 105,358 was due to Imperial expenditure in India, which was Rx. 42,502,442, against an Estimate of Rx. 42,607,800. Rx. 51,262 arose on the English account, including Exchange.

6. There are no differences between Revised Estimate and final outturn which are large enough to require separate statement. The Revised Estimate was made up at the exchange of 14·6 pence; the actual exchange realised upon the drawings and passing into the accounts was 14·5466 pence.

Rate of Exchange.

7. Before taking up the figures of the Revised Estimates of 1894-95, and the Budget Estimates of 1895-96, I desire to make a few remarks upon the subject of the rate of exchange at which they are made up.

8. The Secretary of State in March last announced his intention of drawing for 17,000,000 *l.* sterling, and we made up our estimates in the then precarious state of the Exchange market at 14 pence, but the actual rate had already fallen a little below that. During the month of April the rate maintained itself, slightly falling, a little over 13$\frac{1}{2}$*d.*, but in May it rapidly fell below 13*d.*, being quoted on 18th May at 12$\frac{11}{32}$*d.* The effect of these low rates, or rather of the high rupee price of gold which accompanied them, was to bring into the market a quantity of gold for shipment to Europe, and a slight recovery took place in June, the Secretary of State's drawings during that month being all at about 13*d.* Again there was a falling-off in July, followed by a sharp recovery, which lasted through August: the last drawing of August and the first one of September were at 13$\frac{13}{16}$*d.* and 13$\frac{25}{32}$*d.* respectively. The rate then rapidly fell, and from the latter part of September till the end of November it stood between 13$\frac{3}{8}$*d.* and 13$\frac{1}{8}$*d.*

9. We were many of us hoping to see a revival when the cold-weather export season set in, but the extraordinarily low prices of cotton and of wheat in the European markets stood grievously in the way of activity in the export trade, and rates continued to fall till the middle of January; the drawing of 16th January was mostly at the rate of 12$\frac{1}{2}$*d.* Since that date the rates have gradually recovered, and for two or three weeks now they have stood just under 13*d.*

10. The following monthly figures are of interest in this connection:—

	Drawings of Secretary of State.			In Lakhs of Rupees.		
	Pounds Sterling. 000 omitted.	Lakhs of Rupees.	Average Rate.	Net Exports of Gold.	Net Imports of Silver.	Net Council Bills and Treasure.
1894.						
January	98	16·4	14·408	1·4	166·0	181·0
February	1,023	178·0	13·786	18·1	124·4	284·3
March	1,915	331·2	13·870	32·0	98·6	397·8
April	1,368	241·0	13·625	19·5	43·8	265·3
May	2,251	416·1	12·979	52·1	30·5	394·5
June	1,490	274·6	13·024	120·3	29·2	183·5
July	1,086	201·6	12·927	56·6	91·3	236·3
August	1,665	300·5	13·301	52·5	69·2	317·2
September	894	159·0	13·492	31·0	73·6	201·6
October	1,381	248·6	13·329	—·6	19·9	269·1
November	962	174·5	13·232	24·4	28·9	179·0
December	1,203	223·2	12·937	42·5	52 8	233·5
1895.						
January	1,196	226·6	12·672	49·7	67·8	244·7
February	1,611	300·2	12·883	42·9	55·5	312·8

11. This export of gold is entirely a new feature. There was a slight export, viz., 3$\frac{1}{4}$ lakhs worth in January and February 1893, but the remaining ten months of 1893 showed a total import of 124$\frac{1}{3}$ lakhs worth. The tide turned, it will be seen, exactly when the low exchange set in.

The

The drawings for the current year we estimate as follows :—

	£.	Rs.
Actual up to 2nd March - - - -	15,178,000	27,79,10,000
Estimated additional - - - - -	1,821,100	3,38,80,000
TOTAL - - -	17,000,000	31,17,90,000

giving a rate of about 13·09 pence for the whole year, or say 18⅓ rupees. This rate, 13·09 pence, or 18⅓ rupees to the pound, is that at which we make up the Revised Estimate for the current year; and, avoiding all speculations as to the future, we adopt the same rate in our Budget Estimates for 1895-96.

REVISED ESTIMATES OF 1894-95.

13. The Budget Estimates of the year 1894-95, when presented last March, showed, at fourteen pence exchange, a probable deficit of Rx. 301,900; had they been made up at the exchange 13·09 pence, which is all that is likely to be realised, they would, taking into account only that part of the difference which is due to the expenditure in the English account, have shown a deficit of Rx. 2,165,800. I am pleased to be able to say that the circumstances of the year have been so favourable, that we have not only made up this huge deficit, but are likely to close the account with a surplus estimated at present at Rx. 990,500, a better result apart from exchange by Rx. 3,156,300.

14. The first item in this great improvement is the Opium account, which gives us, under three heads, the following results :—

	Rx.
(i) Better revenue in Bengal, mostly due to enhanced prices obtained at the Calcutta sales - - -	796,800
(ii) Better revenue in Bombay, *i.e.*, larger exportations and higher pass fees - - - - - -	134,600
(iii) Short expenditure in Bengal, mostly due to short payments to cultivators, owing to failure of crop -	610,000
TOTAL Improvement on above accounts - - Rx.	1,541,400

I do not congratulate myself upon the result shown under the third of these heads; I would much rather have paid the amount and had the opium. I shall presently deal with the question separately. Meantime I pass it over, with the remark that, though it brings about an improvement in the financial results of the year 1894–95, it is an improvement which has to be paid for in future years. It is, in some respects, not unlike the improvement which we might easily effect, for example, in our Military charges, by the process of avoiding for a year the complete replenishment of our stores.

15. The other two items, however, aggregating Rx. 931,400, are a real improvement of revenue, except in as far as the high prices out of which they arise may encourage the consumers of Indian opium to have recourse to competing kinds. The price we estimated to realise in March last was only Rs. 1,070 per chest, but the prices obtained increased the moment the failure of the crop became known. In June to September we got about Rs. 1,307 on the average, and the price then rose gradually to Rs. 1,540 at February's sale. This price was, so far as we can make out, an unstable one, due to certain speculative operations in the China Market. The speculation gave way, and the price collapsed to Rs. 1,327 at the sale of March.

16. The next leading cause of the improvement is in the unexpected productiveness of the new Customs duties, and the addition made to them, at the end of the year, of the Cotton duties. The total improvement under Customs Revenue is Rx. 930,100, while the expenditure account shows that we made ample provision for the increase required on account of establishment charges.

It will be more convenient if I deal in a separate section with the subject of the Customs duties.

17. The third large contribution to the improvement in the results of 1894-95 is the account of Railway earnings, an improvement which may almost be called normal; for our Budget Estimates do not assume the progress that results from a fairly prosperous year, and, accordingly, if India enjoys what is on the whole a prosperous year, we may ordinarily expect the Railway returns to give us a considerable advance of revenue above what we have assumed in our Budget.

18. The items entering into this part of the estimates are as follow:—

	Budget.	Revised.	Better.	Worse.
	Rx.	Rx.	Rx.	Rx.
State Railways—Gross Receipts -	16,939,000	18,134,400	1,194,500*	—
State Railways—Working Expenses -	8,401,800	8,813,000	- -	411,200
Net Improvement - - - Rx.	8,538,100	9,321,400	783,300	—

* Includes 100 for exchange.

Of this net improvement of Rx. 783,300, Rx. 25,700 belongs to the Provincial share (in which a considerable deficiency in Burma balances a considerable increase in Bengal), and Rx. 757,600 goes to improve the Imperial surplus.

19. We have unfortunately to set against this gain on State Railways a falling-off, to the extent of Rx. 406,500, on the Guaranteed Railways, which occurs almost entirely in the Great Indian Peninsula Railway, and is, practically, due to the failure of crops in part of the Central Provinces.

20. Only one other head need be specially noticed as contributing to the improvement in the results of 1894-95, namely, the Excise Revenue. This revenue is in its nature a progressive one, and has brought in this year Rx. 195,500 in addition to the Budget Estimates. The greater part of this improvement, Rx. 150,200, accrues to the Imperial account.

21. Against these improvements we have to set only one considerable deterioration, if such a term can fairly be applied to it. It is in the expenditure on account of interest on debt paid in India, the comparison here being as follows:—

	Budget.	Revised.
India Imperial.	Rx.	Rx.
Interest - - - - - - - -	—615,500	—333,300
State Railway Interest - - - -	3,264,500	3,286,500
Irrigation - - - - - - - -	653,900	654,000
Total - - - Rx.	3,302,900	3,607,200
Increase - - - Rx.	- - -	304,300

Nearly the whole of this increase is due to the anticipation interest and brokerage paid in respect of the conversion of the 4 per cent. debt. The net amount paid on this account (including Rx. 20,400 which returns to us as Currency Department receipts) we reckon at about Rx. 301,000. The greater part of this is interest that would otherwise have fallen due to be paid in 1895-96.

22. It

22. It will be observed from the manner in which I have stated these figures, that the rule by which we transfer a portion of our interest charges in India from the general head of interest on debt to be charged against State Railways and Irrigation Works, has brought about the anomalous result that the general head shows a minus figure. This is due to the fact that the amount of capital expenditure on these works is actually larger than the total amount of Public Debt outstanding in India, the expenditure in question having really been met, to a considerable extent, out of sterling loans, borne on our English Account. The minus entry is, therefore, the amount of the set-off against sterling interest on debt, which arises from our charging Railways with a larger amount of rupee interest than we actually pay. The result, taking the three heads together as I have above done, is quite correct, but it has obviously become an inconvenient way of stating facts, and we shall have to reconsider it.

23. The causes I have enumerated account for the following net improvement in the Revised Estimates: —

	Better.	Worse.
	Rx.	Rx.
Opium	1,541,400	—
Customs Revenue	930,100	—
State Railways	757,500	—
Guaranteed Railways	—	406,500
Excise	150,200	—
Interest	—	304,300
	3,379,200	710,800
Net	2,668,400	—

out of Rx. 3,156,300 to be accounted for.

24. The Revenue heads generally, other than those I have mentioned, almost all show slight differences to the good. The leading exception is the Land Revenue, where the receipts are Rx. 194,900 less than estimated. This is due entirely to the necessity of suspending collections in some parts of the North-Western Provinces, the Central Provinces, and Bombay. There has been no distress in any of these places, except, perhaps, in a limited area in the Central Provinces, and it will be found that the revenue which is postponed this year re-appears in next year's estimates. The figures in fact somewhat exaggerate the facts, for, as I have had more than one occasion to point out, the financial year closes on March 31st in the middle of the busiest collecting season. Five to six crores of Land Revenue come in in the month of March, and an equal amount in the three months April to June; the postponement of half a crore of collections from March to a slightly later date, though administratively a small matter, means a difference of a crore between the finance accounts of the two years.

25. The expenditure heads also have almost all been kept well within Budget limits. Under Civil Departments we charge in India Rx. 13,907,300, against the Budget Estimate of Rx. 14,079,200—a saving of Rx. 171,900. It is under this head that the principal portion of the exchange compensation charges in the Civil Department come; they were estimated at Rx. 365,800, but by the fall of the rate of exchange the amount actually paid comes to Rx. 402,200. The saving, therefore, apart from exchange compensation, is Rx. 208,300. There have been savings under practically every head, excepting that of General Administration, where the expenditure is Rx. 1,581,000, against an estimate of Rx. 1,546,000.

About two-thirds of the total, and a rather smaller proportion of the total savings, under this head are provincial.

 26. The

26. The Finance Minister, after enumerating the causes which have contributed to producing in the Revised Estimates a better result than the Budget Estimates, has usually to wind up by deploring a mournful set-off in the excess of Military Expenditure. I am glad to say that this year I am exempted from this fate. The figures of the estimates are—

	Budget.	Revised.	Better.
Net Expenditure in England - - -	£4,394,400	4,305,600	88,800
Net Expenditure in India - - - -	Rx. 15,416,700	15,246,100	170,600

27. There are large savings in the Commissariat grant, amounting to Rx. 504,800, of which Rx. 375,000 are due to the prevalence throughout the year of low prices for articles of food. These and other savings have been enough, and more than enough, to meet the following excess charges:—

	Rx.
(1) Exchange compensation allowance - - -	52,800
(2) Enhancement of British soldiers' pay, due to fall of exchange - - - - - - - -	357,800
(3) Excess over established strength of the British Army - - - - - - - - -	35,000
(4) The Waziri expedition and connected Delimitation charges - - - - - - - -	202,500
TOTAL - -	648,100

28. There are of course numerous other differences, but these are the leading ones. We embarked last year on a policy of strict economy in this great head of expenditure. That policy has been steadily pursued throughout the year, with the hearty co-operation of the high military authorities, from the Commander-in-Chief downwards; and, though there has been at least the usual progress in military efficiency, the Military Department are able to show that their expenditure, including all the special expenses arising during the year—and they are, as just shown, no small ones—has been kept well within Budget limits.

29. I may state that the Waziri Expedition is estimated to cost Rx. 285,000, but Rx. 90,000 come into the year 1895–96.

IMPORT DUTIES.

30. I have done with Revised Estimates, and, before passing on to the Budget Estimates for 1895–96, this will be the most convenient place for a review, in its financial aspect, of the Customs legislation of 1894.

31. It will be remembered that the Government of India in March of last year, when finding itself face to face with a heavy anticipated deficit in its estimates, introduced in the Council a measure for the revival of the General Customs Duties which had been abolished in 1882. This measure came into force on March 10th, 1894, twenty-two days before the end of the financial year 1893–94; and I find that it added to the revenue of that year the following net amounts:—

	Rx.
Drugs, Medicines, &c. - - - - -	3,495*
Articles of Food and Drink - - - - -	18,871
Silver Bullion and Coin - - - - - -	3,697
Other Metals (including Manufactures) - - -	36,105
Other Manufactures and Raw Materials - - -	30,987
TOTAL - -	93,155

* A small amount of this comes under the old Tariff as Spirits.

besides

besides a certain amount under Oils, due to the enhanced taxation of Petroleum and the like.

32. We estimated in last year's Financial Statement that these duties would add, after allowing Rx. 70,000 for refunds, a net sum of Rx. 1,350,000 to our annual revenue, but we took only Rx. 1,200,000 into the estimates of the first year, 1894-95, of their operation. Our estimates were based on the figures of the import trade of 1892–93, which were unusually low; and our reduction of about 10 per cent. for the first year's operations appears to have been quite unnecessary. The import trade has been fairly active during the current year, and the amount that the duties are now estimated to have actually produced is Rx. 1,733,000, which is classified as follows:—

	Annual Amount Estimated Last Year.	Estimated Produce in 1894-95.
	Rx.	Rx.
Articles of Food and Drink	278,000	296,000
Drugs, Medicines, etc.	70,000	94,000
Silver Bullion and Coin	100,000	355,000
Other Metals and Manufactures of Metals	238,000	208,000
Manufactured Articles	446,000	504,000
Raw Materials and Unmanufactured Articles	74,000	121,000
Oils, including additional duty on Petroleum	214,000	155,000
TOTAL	1,420,000	1,733,000
Add the duties under the old Tariff—		
	Rx.	
Arms and Ammunition	35,000	
Duty on Petroleum	155,000	
Liquors	621,000	811,000
TOTAL OF BOTH		2,544,000
Deduct Refunds		57,300
NET		2,486,700

These figures show that the greatest part of the increase occurs under the head of imports of silver. We had no means of judging to what extent silver would be imported after the Mints were closed and the due course of remittance resumed, and we made a very moderate estimate. As shown in paragraph 10 above, the imports have continued on a very high scale. The silver, so far as we can trace it, gets absorbed among the population generally, though a small amount has gone to Native Mints; and Delhi appears to be the principal centre of dispersal. The fact that the import of silver has been so largely counterbalanced by an export of gold would seem to indicate that gold hoards in this country are being exchanged for silver; but, after all, the import, though it amounts to seven crores of rupees in value, only comes to 60 or 70 grains for every inhabitant of India.

33. The continuance of the low state of exchange rendered it abundantly evident in November and December that we would still have a considerable deficit to face in 1895–96, and that the hopes, which had warranted our exempting cotton goods from the General Tariff of March, were destined to disappointment. With the sanction, therefore, of Her Majesty's Government,

Bills were introduced on the 17th December for the amendment of the Tariff, mainly by including cotton yarns and piece-goods in it, and for the levying of a countervailing excise duty on certain classes of goods manufactured in this country. These duties came into force on December 27th, and we estimate that they will add to our revenue in 1894–95—

	Rx.
Sea Customs - - - - - - - -	354,100
Excise Duties - - - - - - -	12,500
TOTAL - - -	366,600
Deduct Refunds - - -	7,500
NET - - -	359,100

34. The estimate of Customs Duties—Imports—for 1895-96 stands as follows :—

	Revised Estimate 1894–95.	Budget Estimate 1895–96.
	Rx.	Rx.
1. Arms, Ammunition, and Military Stores	35,000	33,000
2. Liquors—		
Spirits - - - - - - -	560,000	543,000
Other sorts - - - - - -	61,000	59,000
3. Articles of Food and Drink - - -	296,000	292,000
4. Chemicals, Drugs, Medicines, and Dyeing and Tanning Materials - - -	94,000	91,000
5. Metals and Manufactures of Metals—		
(*a*) Silver Bullion and Coin - -	355,000	250,000
(*b*) Other Metals and Manufactures of Metals - - - - - -	208,000	206,000
6. Oils - - - - - - - - -	310,000	369,000
7. Manufactured Articles - - - -	504,000	511,500
8. Raw Materials and Unmanufactured Articles - - - - - - -	121,000	118,000
9. Cotton Goods—		
(*a*) Sea Customs - - - -	354,100	1,440,000
(*b*) Excise Duties - - - -	12,500	75,000
TOTAL IMPORT AND COTTON DUTIES - -	2,910,600	3,987,500
Deduct Refunds - -	64,800	118,100
NET - -	2,845,800	3,869,400

35. The effect of the Customs legislation is therefore to raise the standard of revenue from Rx. 786,500 (Rx. 811,000 *minus* Rx. 24,500 on account of refunds), the produce in 1894–95 of the old Tariff duties, to Rx. 2,845,800, the produce in the same year of the new Tariff, and to Rx. 3,869,400, the full estimate of a year's produce made in the Budget Estimates of 1895–96. The total increase comes to Rx. 3,082,900.

BUDGET ESTIMATES, 1895-96.

36. The Budget Estimates of 1895-96 have to be made up, as already stated, at the exchange of 13·09*d.*, and, comparing our prospects in a general way with the Budget Estimates of 1894-95, the main differences foreseen before entering into details are these—

(1.) We have to provide for the worse exchange on English expenditure, which, on 15,850,000*l.*, comes to Rx. 1,887,000.

(2.) We have to provide for exchange compensation on a higher scale; this year our payments were, in the Budget Estimate, based on an exchange rate of 14 pence, and were estimated, all departments included, to cost Rx. 1,113,300, which, however, was probably, at that rate, an over-estimate. In 1895-96 the lower rate of exchange enhances the probable payments to Rx. 1,456,500, and, of this excess, Rx. 236,800 is on Imperial Account.

(3.) Another item due to the same cause is the enhanced rate of payment to British soldiers; for, the British soldier being entitled to a sterling rate of pay, we have to estimate the charge on this account at Rx. 379,900 more than it was taken in last year's estimates.

The fall of exchange, therefore, under these three heads adds Rx. 2,503,700 to the charges of 1895-96, as compared with those included in our last year's estimates.

37. We have also this year to do without the temporary relief we obtained (1) by levying contributions of Rx. 405,000 from the Provincial Governments; (2) by reducing the scale of military works and of civil works to the lowest possible figure. During 1894-95 we have been practically carrying on without any new works, so far as the Imperial account was concerned, and we must this year provide about Rx. 150,000 under the former and Rx. 130,000 under the latter, which last year we cut out. These three items add Rx. 685,000 to the burdens of the coming year.

38. There is a further annual burden which we have, for reasons which I shall afterwards explain, been obliged to undertake, in raising from five rupees to six rupees the payment we make to cultivators under the opium agencies, for crude opium delivered. This may be put down as adding in an ordinary year about Rx. 360,000 to our expenditure; to which we may add another Rx. 100,000 for the necessity of supplementing our operations by purchases in Malwa.

39. Against all these measures we have one item of saving. The operation of the debt conversion reduces our charges by Rx. 524,800, including about Rx. 102,800 on account of debt outstanding unconverted, and therefore either discharged or awaiting discharge, but at any rate not bearing interest. Our balances are large enough to enable us to repay this debt without, at present at least, raising new debt in its place.

40. We approach, therefore, our budget estimates with the following burdens added to those which in last year's estimates resulted in a deficit of Rx. 301,900:—

	Rx.
Charges dependent on exchange - - - -	2,503,700
Cessation of special reductions of expenditure - -	685,000
Additional opium payments - - - - -	460,000
Total - -	3,648,700
Deduct saving in interest - - - - -	524,800
Net - -	3,123,900

41. It was this prospect which, as I have already explained in dealing with the revised estimates, induced us to apply to the Legislature in December last for permission to add duties on cotton goods to our import tariff. Although aware that the customs duties had been more productive than we estimated

in March 1894, it was evident that we had still a very large margin between expenditure and revenue to fill up. I have just shown that these cotton duties add Rx. 1,515,000 (or Rx. 1,455,000 if we allow for refunds) to the resources which were available to us at the time of our last budget estimates, and to this we may add Rx. 427,900 by reason of the higher estimate we consider ourselves warranted in now making of the productiveness of the other import duties.

42. This general forecast of the estimates for 1895–96 stands thus :—

	Rx.	Rx.
Deficit of 1894-95	301,900	—
Further burdens—net	3,123,900	3,425,800
Less, cotton duties and other improvements in customs revenue	- -	1,882,900
Result, a deficiency of	- -	1,542,900

The question is whether the general advance of our railway and other revenues avail to make up this deficiency, and whether our estimates of expenditure under heads other than those above referred to show a diminution in the burden to be borne.

43. A reference to the detailed estimates will show that these causes have operated to cover the whole of this deficiency, and that we anticipate on the whole account, after meeting certain special charges, a surplus of Rx. 46,200. This surplus, like that of the revised estimates, is the surplus *before* the consideration of the famine assurance grant for railway construction, and of course is too small to permit of our making any such grant out of revenue.

44. Taking first of all the railway earnings, the following figures show that we can anticipate for 1895–96 a better return by Rx. 816,300 than the budget of 1894–95 contained :—

	Accounts, 1893–94.	Revised, 1894–95.	Budget, 1895–96.
State Railways :	Rx.	Rx.	Rx.
Gross earnings	16,879,107	18,184,400	18,001,900
Working expenses	8,263,975	8,813,000	8,697,000
Net	8,615,132	9,321,400	9,304,900
Guaranteed Railways :			
Net earnings	3,383,812	3,039,000	3,495,000
TOTAL	11,998,944	12,360,400	12,799,900

45. Under land revenue we estimate for Rx. 666,000 more than in the budget of 1894–95. The greater part of this is, as I have already explained (paragraph 24), revenue postponed from 1894–95. The estimate, in fact, covers more than one year's land revenue, though, as progress in settlement is fairly active all over India, it is quite possible that a year or two will suffice to enhance the standard to an equality with the figure now taken.

46. Under opium we estimate for Rx. 467,000 more than we took 12 months ago ; the estimate of last year was admittedly a very low one, based on low prices and somewhat scanty sales. We have still the scanty sales, but we consider ourselves justified in taking Rs. 1,300 as the probable price.

47. Stamps and excise give us what may be called normal increases, aggregating Rx. 303,100 ; and the other heads on the revenue side mostly promise better results than last year, except that there is a serious falling-off in the irrigation estimates of the North-West Provinces.

48. The

48. The items I have mentioned make up an improvement of Rx. 1,849,900 on the Imperial account:—

		Imperial share.
	Rx.	Rx.
Railways - - - - - - - -	816,300	787,700
Land Revenue - - - - - - -	666,000	403,100
Opium - - - - - - - -	467,000	467,000
Stamps and Excise - - - - - -	303,100	192,100
		1,849,900

I need not enter upon the discussion of smaller differences. I have noted all the important ones, except, perhaps, an enhanced expenditure under Minor Works—Irrigation, due mostly to enhanced grants for certain works in the Bombay Presidency. The amount of improvement which I have just stated would, when compared with the initial deficiency of Rx. 1,542,900, give a surplus of Rx. 307,000; and the surplus we declare, namely Rx. 46,200, may be represented as this amount of Rx. 307,000, increased by numerous smaller differences to Rx. 376,200, and then diminished by two special charges, amounting to Rx. 330,000, which I have to mention under the head of Army.

49. In the Army figures the comparison with last year's Budget Estimates is as follows:—

	Budget, 1894–95.	Budget, 1895–96.	Increase.
Net Expenditure in England - - £.	4,394,400	4,393,900	—500
Net Expenditure in India - - - Rx.	15,416,700	16,286,000	869,300

Of this increase of Rx. 869,300, I have already taken into account the portion due to Exchange, namely, Exchange Compensation, Rx. 144,200, and the increase in British soldiers' pay, Rx. 379,900: total, Rx. 524,100, so that the real increase in the Military Estimates in India, apart from Exchange, is only Rx. 345,200, namely, the two charges I have mentioned, and a further amount of Rx. 15,200.

50. As usual, a large number of items contribute to this last difference. Waziristan and the Boundary Demarcation require a special provision of Rx. 107,400, and the construction of a trans-frontier post requires Rx. 32,500; certain new regulations as to good-conduct pay and as to lance ranks in the British Army made a demand on us for Rx. 44,400; the new distribution of the Army into four commands requires an addition of Rx. 11,300, besides the Rx. 10,000 provided last year; a new and very necessary arrangement for hutting native troops requires an annual grant of Rx. 13,000 for some years, beginning with the present year; and the fall of Exchange adds Rx. 13,000 to the provision necessary for purchase of colonial horses for remounts. Against these we can put some savings, of which the principal ones are, expected less expenditure on Commissariat supplies, Rx. 164,000, and in Ordnance supplies, Rx. 18,500; the abatement of a special mobilization charge of Rx. 38,200, and of some other special charges that appeared in the Estimates of 1894–95.

51. Of the two special charges, the first is an amount of Rx. 150,000, which we desire to set aside in order to provide for the preparations we have thought it necessary to make for military operations that may be forced upon us in consequence of difficulties in Chitral. This is not to be understood as an

estimate of the probable cost of these operations if they are undertaken. But we must be in a position to cross the frontier, and we consider it necessary to provide Rx. 150,000 in our ordinary Estimates for this purpose.

52. The remaining amount, Rx. 180,000, arises out of an announcement which I have a very great pleasure in being charged with the duty of making. The pay proper of the Native sepoy has been seven rupees a month since 1796, but in addition to this he enjoys other allowances, some of which are common to the whole force, like compensation for dearness of provisions, and some are special concessions, which apply only to portions of the forces. These last were mostly given under conditions which are no longer applicable, and they create in some cases undesirable inequalities of treatment.

The necessity for an increase in the general scale of sepoys' allowances has for some time past become increasingly evident to all engaged in the administration of India ; and, when some months ago the present Commander-in-Chief urged that the measure could no longer be postponed, the Government unanimously accepted the conclusion. Some details still remain to be settled, and I cannot do more at present than indicate in general terms that it is intended that from 1st July next no soldier of the dismounted branches of the Native Army shall get less than nine rupees a month.

This increase of allowances for the force of about 110,000 men is estimated to cost Rx. 260,000 a year, but we have to provide in 1895-96 for less than a full year's charge, that is, for Rx. 180,000 only.

QUESTIONS RELATING TO BENGAL OPIUM.

53. In discussing the Estimates, I have referred more than once to the subject of the Opium Revenue, stating that I would deal with the subject in a special section. During the year the Government had occasion to review the position and prospects of the Opium Revenue of Bengal. Some years ago the Government established as a sort of standard to be aimed at the number of 57,000 chests as the proper number to be sold in a year, and their policy was to maintain, in their production, a sufficient reserve of chests to enable them to bring forward this number for sale with fair regularity.

54. We had up till 1887-88, inclusive, several good years of production, the average of the last five years being 64,500 chests ; and in the sales of 1889, fixed on the basis of the production of that year, we adhered to our standard of 57,000 chests, and were able also to add 12,500 chests to the reserve, which on 1st January 1890 stood at 49,705 chests.

55. But after that year we entered upon a cycle of bad years. We may take it that the measure of production in an average year is ·20 maund per acre ; we produced ·22 during the five years ending 1887-88, but for the next five we came down to an average of ·17. Moreover, we not only produced less per acre, but the cultivators were discouraged by a series of bad years, and the average cultivation fell from 553,000 acres in the first quinquennial period to 473,000 during the second. Each year we hoped for an improvement, and each year, though we greatly reduced the sales, we were drawing upon our reserve to make up a fair tale of sales, believing it impossible, by the law of averages, that the next season should fail to restore in some degree our position. When I made the financial statement last year, we believed we were on the eve of harvesting a very good crop ; but such is the precarious nature of the opium crop, that within a month we found that the poppies were deficient in juice, and we presently realised that the crop to be garnered was the worst on record. The ratio of productiveness diminished to ·13, and the produce of provision opium, after reducing to a minimum the necessary manufacture of excise opium, was only 33,328 chests. We were obliged very greatly to limit the sales for 1895, and the reserve is absolutely exhausted. The amount to be sold in 1895 is only 37,260 chests.

56. We have gained very greatly in the enhanced price we have obtained in this restricted market, but probably the disturbed state of affairs in China has given freer entrance to our opium and served to aid the enhancement in price.

57. We,

57. We, however, have long ceased to have a monopoly of opium supply in China, and we have to steer between the two opposing policies of risking our position in the market by restricting the quantity supplied, and risking the prices we obtain by sending too much into the market. We have no doubt that at our present rate of sale the risk we are running is the first of these two risks, and we consider ourselves under an obligation, in our own interests, to restore the standard of production, with a view of increasing the amount sold, as well as of setting aside a reserve which will enable us to maintain a pretty equal supply.

58. We considered, under these circumstances, it was wise to increase from Rs. 5 to Rs. 6 the rates paid to the cultivator for crude opium, and, so far as we can judge, this increase has produced the desired effect—in the Benares Agency at least—of preventing a serious falling-off in the area under cultivation. We have also made arrangements for the purchase of crude opium in Malwa, which we can manufacture into excise opium, so as to set free as much as possible of the produce of the Agencies for manufacture for export. The future sales we do not definitely settle till June; but it is desirable on the present occasion to say that, unless we can manufacture more than 52,000 chests out of our Agency produce, we shall not increase the sales of 1896 beyond 42,000 chests.

CONVERSION OF THE RUPEE DEBT.

59. My predecessor, Sir David Barbour, in raising a Rupee Loan in 1893 at 3½ per cent. interest, laid a foundation for a general reduction to that rate in the interest borne by our securities. That loan was raised at an average rate of Rs. 96. 3. 2½, but the price quickly rose, and at the date of the last financial statement it stood above par; by June it had risen to 2½ per cent. premium. This price, and our very large cash balance, in which we had some 8 to 10 crores (*i.e.* millions of Rx.) to spare, convinced us, and also created an impression among the public, that the opportunity had come to attempt a reduction of the general rate of 4 per cent. at which our securities stood.

60. The amount of debt to be dealt with was over 95 crores (millions of Rx.), of which 27·3, 24·5, and 35·5 were held respectively under the loans of 1842–43, 1854–55, and 1st May 1865, the balance being divided over five smaller loans. About 25 crores of this amount, chiefly of the 1854–55 Loan, was held in England.

61. It is unnecessary to explain the precise considerations which determined the details of our programme. The main considerations were the necessity of having the operation complete by the month of November, and of so arranging it that our spare cash balance of 8 to 10 crores was, at every stage, a sufficient backing for each immediate operation. As a matter of fact, except under the first notification, when we risked, in the event of complete failure, a possible obligation of having to discharge 19 or 20 crores, we at no time stood any chance of having to meet, in the form of discharge of debt, more than could easily be met out of our unusually ample cash balances; and, of course, this circumstance, sufficiently well known, was a strong inducement to the holders of the debt to come in for conversion. Indeed, as the price of the 3½ per cent. loans never stood at a lower figure than Rs. 103 during the whole operation, they had everything to gain, and nothing to lose, by accepting our terms of conversion, rather than taking discharge.

It fell just below Rs. 103 in the first week of August, but in that week no conversion operation was in progress.

62. Our first notification issued on 30th June, and announced the discharge of the 4 per cent. loan of 1842–43, with option of accepting reduction of rate of interest to 3½ per cent., the reduced rate having effect from 1st August 1895, and being guaranteed till August 1st 1904. The outstanding amount of this loan was about 19 crores in the hands of the public, and a little over 8 in the currency investment. We offered the same terms of conversion to holders of other loans at the same time, and hinted that, if they did not accept, they might have to accept less favourable terms in future.

 63. We

63. We allowed the usual period of a month for acceptance of our terms; and, when we came to make up accounts (the completion of which always took a little time, as we received notes for conversion at every treasury in India), we found that the compulsory conversion (that of the 1842–43 Loan) had been almost universally accepted, and that about 14 crores of other loans had also been tendered.

64. Our next step was to advertise, on August 13th, a portion of the 1865 Loan, offering conversion on terms one-quarter per cent. worse than the original ones; but at the same time we re-opened, for a fortnight, both in respect of this, and of other loans, the terms of voluntary transfer offered under the first notification. A few days afterwards we similarly notified two petty loans that stood upon our books. This was really the critical part of the operation—the portion of it which settled the question whether or not we would be able to carry it through. The plethoric condition of the London money market, which declared itself especially in the month of August, combined with the success we had obtained in the first operation to bring in tenders for optional conversion at a rapid rate. And, when at the end of the fortnight, for which the original terms were open, we collected our information, we found that we could account for about 66 crores as converted, namely, about 38 compulsorily and 28 optionally.

These figures will not precisely agree with the figures given in Part II. I am dealing here with the information we possessed at the time, and not with the totals as afterwards collected and made up.

65. The outstandings were now, at the outside, 14 crores of the 1854–55 Loan (in which the English holding had been reduced by optional conversions to a little over 6½ crores), 9 crores of the 1865 Loan, and 6 crores distributed under other loans.

66. We notified the 1854–55 Loan at once (September 1st), bringing forward still farther, namely, to 31st December 1894, the date from which the reduction of interest was to have effect, and we offered optional conversion to other outstanding holders on the same reduced terms (3rd September). When the first fortnight of this notification was over, the total outstanding balance was reduced to 10¼ crores, of which, however, we were pretty confident that returns not yet received would account for one or two crores.

67. A final notification on 20th September applied still further reduced terms of compulsory conversion, or discharge, to the remaining outstandings.

68. We knew that we had only four or five crores remaining unconverted, and with the aid of the Public Debt Offices we set to work to re-examine the returns, for it will still be a little time before the operation will have completely passed into the accounts. The result as known on the 9th March 1895 was as follows:—

[The figures are Rx., omitting 000.]	Balance on 30th June 1894.	Converted into 3½ per cent. guaranteed.	Balance unconverted.
1. Loan of 1832–33	617	554	63
2. Loan of 1835–36	1,560	966	594
3. Loan of 1842–43	27,316	25,980	1,336
4. Loan of 1854–55	24,448	23,118	1,330
5. Transfer Loan of 1st May 1865	35,536	34,113	1,423
6. Reduced Loan of 16th January 1879	5,617	5,232	385
7. Mysore Family Loan	50	50	—
8. East India Railway Commuted Stock	5	5	—
TOTAL	95,149	90,018	5,131

69. We

69. We took the opportunity offered by the conversion, of simplifying our loan accounts, by abolishing the first two and the last two of the above list; that is, the terms of conversion offered in these two cases included transfer into one of the other accounts. The result is that, in lieu of the above eight heads, we have now on our books only four accounts, the four guaranteed 3½ per cent. loans, as they are now called, all held under precisely the same conditions, and differing only in respect of the half-yearly dates on which interest is payable.

70. These and the two previously existing 3½ per cent. loans, which aggregate a little over 3½ crores, and the conditions of which differ from the above only in respect that they are not guaranteed against discharge before 1st August 1904, summarise, with one small exception, the whole of our rupee public debt.

71. The option of conversion into 3½ per cent. guaranteed debt having closed on 3rd October, we proceeded, by a notification on 8th October, to offer the holders of the above-stated unconverted balance of Rx. 5,131,000 the option of taking, on certain terms involving surrender of accrued interest, unguaranteed paper of 3½ per cent., if they preferred it to taking discharge. These terms of conversion are still open, and up to the 9th March the balance in question was thus accounted for—

[The figures are Rx., omitting 000.]	Unconverted Balance as above.	Converted into 3½ per cent. Unguaranteed Loans.	Discharged under Original Notifications.	Still Outstanding on 9th March.
Loan of 1832–33 - - - -	63	2	8	53
Loan of 1835–36 - - - -	594	82	5	*145+362
Loan of 1842–43 - - - -	1,336	786	153	397
Loan of 1854–55 - - - -	1,330	434	574	322
Loan of 1865 - - - -	1,423	533	170	720
Loan of 1879 - - - -	385	171	64	150
TOTAL - - -	5,131	2,008	974	1,787+362

* The Rx. 362,000 separately shown, appertain to the Husseinabad Endowment referred to in Act XV. of 1878, and held by the Government in trust. Either most of it, or the whole of it, will be converted after the completion of an examination of the original transactions out of which it arose.

72. According to present appearances, our new 3½ per cent. securities bear as high a value in the market as the 4 per cent. did a year ago; and, what is quite as important, the reduction of interest has not had any effect in quickening the flow of securities from the English to the Indian market, about Rx. 909,300 having been transferred in 11 months of this year, against Rx. 1,247,000 last year.

73. The annual saving in interest which will accrue from the conversion is about 46 lakhs of rupees; but, as about 4 lakhs of that amount arises in respect of securities held in the currency investment, the net saving on the Revenue Account is about 42 lakhs (Rx. 420,000). But there will be a further temporary saving, by the discharge of the 97 lakhs above-mentioned, which will not require immediate replenishment, and also by the cessation of current interest on the 215, or rather 179 lakhs. (*See* the note in the last column).

74. I would not be doing justice if I passed from this subject without a word of acknowledgment to the Bank of Bengal, for the extremely efficient manner in which it coped with the immense mass of work which the conversion operations threw upon it. Each stage of the work was necessarily sprung upon the bank without any warning, but the directors, and their secretary, Mr. Cruickshank, were able, by rapid organization of their forces, to meet the

whole of the demands upon them without a single hitch of any kind. The acknowledgements of the Government have been conveyed both to them and to the other two Presidency Banks.

CAPITAL OUTLAY.

75. I have already stated, and it will be no matter of surprise, that we are not yet in a position to re-introduce the Famine Insurance grant. We charge against this head in 1895-96 a small amount, namely, Rx. 50,000 for Irrigation Works and Rx. 5,000 for Famine Expenditure; and we take from it also, though we charge under Railways, Rx. 366,800 in respect of the deficiency of interest on the Bengal-Nagpur and Indian Midland Railways, giving a total of Rx. 421,800. But we have no surplus to devote to the construction of Protective Railways, and the Famine Insurance grant must for the present remain in partial abeyance.

76. Although we did not provide for any Famine Insurance grant for Railway Construction in the Budget Estimates of 1894-95, I explained at the time that we were nevertheless really providing for the obligations imposed upon us in that respect. This is even more abundantly evident now that our revised estimates have resulted in a handsome surplus, for the following figures will show that this surplus, though it has not as a matter of account been transferred to and granted from Famine Insurance, has, as a matter of fact, been largely spent upon the East Coast Railway, which is the principal remaining item in the Protective Railway programme:—

———	Budget.	Revised.
	Rx.	Rx.
Surplus on the Revenue Account	—	+ 990,500
Railway Construction on Capital Account	3,450,000	*4,610,000
Irrigation	550,000	590,000
TOTAL CAPITAL OUTLAY	4,000,000	5,200,000

* Includes Rx. 768,000 spent upon East Coast Railway.

The amount allotted to railway construction was considerably enhanced during the year, and we have thus, as a matter of fact, utilised our surplus by spending it upon railway construction, though we have not for that purpose passed it through the Famine Insurance Account.

77. The Budget for 1895-96 provides for construction, on Capital Account, of Rx. 3,700,000 Railways, and Rx. 700,000 Irrigation: total, Rx. 4,400,000. These figures include Rx. 500,000 on account of the East Coast Railway, which there are further projects for connecting with Calcutta, though they are not far enough advanced to find a place in our estimates. Besides the State outlay just mentioned, there will be expenditure on the Assam-Bengal line to the extent of 500,000*l.* against debentures raised under the contract with the Company.

DEBT AND REMITTANCE.

78. The Secretary of State's account for the two years 1893-94 and 1894-95 may be taken as showing to what extent it has been necessary for him to increase

increase the debt of India, in consequence of the failure of remittance in 1893-94. The figures of the two years are as follow :—

—	Account, 1893-94.	Revised Estimate, 1894-95.	1893-94 and 1894-95 combined.
Net Receipts—	£.	£.	£.
Council Bills	9,530,235	17,000,000	26,530,235
Permanent Debt—			
Principal transactions	1,386.000	6,000,000	7,386,000
Others	48,785	—4,300	44,485
Temporary Debt	6,000,000	—4,000,000	2,000,000
Deposits, Advances, &c.	934	3,400	4,334
Opening Balance	2,268,388	1,300,564	2,268,388
TOTAL	19,234,342	20,299,664	38,233,442
Net Outgoings—			
Expenditure	15,633,361	15,594,500	31,227,861
Capital expenditure	725,084	823,200	1,548,284
Transactions on account of Railway Companies	654,903	530,700	1,185,603
Remittance Account with India	920,430	905,100	1,825,530
Closing Balance	1,300,564	2,446,164	2,446,164
TOTAL £.	19,234,342	20,299,664	38,233,442

79. The latest figures show that the remittances of the current year may fall somewhat short of our estimated figure of 17,000,000*l.*, but we may, I think, after the remittance of an amount approaching 17,000,000*l.* sterling during the current year, say that the disturbance due to the failure of remittance in 1893-94 has ceased to have effect; and we see now that its effect has been the increase of sterling debt by—

	£.
India 3 per Cent. Stock	6,000,000
3½ per Cent. Debentures	1,386,000
Temporary Loans	2,000,000
TOTAL	£.9,386,000

Against this we may take—

	Rx.	Rx.
Capital outlay charged in India and in England—		
1893-94	3,621,252	
1894-95 (Revised)	5,200,000	
Permanent debt paid off in India—net—		
1893-94	890,574	
1894-95 (Revised)	1,200,200	
Increase of cash balance in India, 31st March 1893 to 31st March 1895	7,407,732	
TOTAL		18,319,758
Deduct—Loan of 1893		3,499,100
NET		Rx. 14,820,658

80. So far as at present anticipated, there will be no borrowing, either in sterling or in rupees, in 1895–96, although the temporary loan of 2,000,000*l.* which falls due in May will have to be renewed.

81. The transactions of 1894–95 lead us to hope that we have now resumed the even tenor of remittance, and the Secretary of State estimates to draw 17,000,000*l.* of Council Bills during 1895–96.

82. These announcements as to borrowing and as to Council Bills are made, as usual, with the most absolute reservation to the Secretary of State and the Government of India of power to change their programme in any way they think advisable.

CONCLUSION.

§ 83. I have now given an account—I hope it is a clear one—of the financial crisis through which we have been passing during the last two years. I am far from saying that that crisis is yet past; we are now in smoother waters, and our prospects, so far as financial equilibrium is concerned, are distinctly more hopeful than they were twelve months ago. But many causes for anxiety still remain, and we may again be in difficulties before many months are over. Not that I foresee any special difficulties, but merely that, so long as a difference of a tenth of a penny in exchange means a difference of a quarter of a crore in our estimates, we would be foolish to build, upon the favourable out-turn of the estimates which I have to-day presented to the Council, any sanguine expectations of brighter days in the immediate future. I stated last year—and I repeat it now—that we cannot call our financial position safe, until we can reckon upon sufficient surplus to warrant our renewing the Famine Insurance Grant. We believe that under present circumstances it is better to go without that grant than to increase taxation for the purpose of providing the surplus which is necessary before we can renew it. And, meantime, although we are as yet far from a complete restoration of our fortunes, I think we may claim to have made a fair amount of progress towards their restoration.

PART II.

DETAILS OF ACCOUNTS AND ESTIMATES.

Section I.—Accounts of 1893–94.

84. The Revised Estimates for the year 1893–94 worked out to a deficit of Rx. 1,792,800, but the Accounts show a slightly diminished deficit of Rx. 1,546,998.

85. Explanations under the several heads of the variations of the Account figures from those of the Budget and Revised Estimates are given in the Appropriation Report published in the "Gazette of India" of the 16th instant.

A general

A general comparison of the Revised Estimates with the Accounts of the year is contained in the following statement:—

—	Revised Estimate.	Accounts.	Accounts, better.	Accounts, worse.
REVENUE.				
India - - - - - - Rx.	90,121,000	90,246,041	125,041	—
England - - - - - - £.	187,700	193,454	5,754	—
Exchange - - - - - - Rx.	120,800	125,719	4,919	—
TOTAL - - - Rx.	90,429,500	90,565,214	135,714	—
EXPENDITURE.				
India:				
Imperial, Provincial, and Local, Rx.	66,548,400	66,311,392	237,008	—
Adjustment for Provincial and Local Surplus or Deficit - Rx.	—478,800	—311,291	—	167,509
NET - - - Rx.	66,069,600	66,000,101	69,499	—
England - - - - - - £.	15,909,600	15,826,815	82,785	—
Exchange - - - - - - Rx.	10,243,100	10,285,296	—	42,196
TOTAL - - - Rx.	92,222,300	92,112,212	110,088	—
DEFICIT - - Rx.	1,792,800	1,546,998	245,802	—

86. The total Revenue in India was higher than the figure taken in the Revised by Rx. 125,041, while the total Expenditure was less by Rx. 237,008, giving a total improvement of Rx. 362,049. This was distributed as follows between Imperial and Provincial:—The Actual Revenue exceeded the Revised Estimate by Rx. 89,182 under Imperial and by Rx. 35,859 under Provincial and Local; while Imperial Expenditure fell off by Rx. 105,358, and Provincial and Local Expenditure by Rx. 131,650. There was thus an improvement in the Imperial Section of the Accounts of Rx. 194,540, and in the Provincial and Local Section of Rx. 167,509.

87. In England there was a reduction in Expenditure, including Exchange, of Rx. 40,589, and an improvement in Revenue of Rx. 10,673, which together give an improvement of Rx. 51,262. And, adding to this the improvement of Rx. 194,540 in the Imperial Section, we arrive at the amount of Rx. 245,802 by which the deficit in the Accounts fell short of the estimate of March last.

88. The largest part of the increase in revenue occurred in the Railway Revenue Account, under State Railways, Rx. 103,727, the traffic on the North-Western and Bengal-Nagpur Railways at the end of the year having improved beyond what was expected. Miscellaneous Revenue was also under-estimated by Rx. 31,336, and Army Receipts by Rx. 23,243. Under Principal Heads of Revenue there was on the whole only a slight over-estimate of Rx. 20,600, but the variations under some heads were considerable. Salt Revenue showed the largest deficiency, coming short of the Revised Estimate by Rx. 117,324. Opium also was over-estimated by Rx. 66,829, and Stamps by Rx. 41,649. On the other hand, Land Revenue and Forests brought in Rx. 97,309 and Rx. 45,922 more than was anticipated.

89. The expenditure was generally slightly less than in the Revised Estimate, the largest difference occurring in the expenditure on Civil Works, where the over-estimate amounted to Rx. 117,322. Provincial and especially local officers

are apt to provide large margins under this head, which we admit only because the estimate does not affect the Imperial Account. The expenditure on Civil Departments was slightly under-estimated by Rx. 80,106, chiefly under Police; also for the most part a non-Imperial head.

90. In England the differences in expenditure were in most cases small; the only considerable difference was in the Army Expenditure, which fell short of the Revised by 85,108*l.*, owing, as usual, to the progress in the supply of stores being slower than was anticipated.

The Expenditure in England was brought to account at an exchange of 14·5466 pence, the rate taken in the Revised Estimate having been 14·6 pence.

91. The Expenditure not charged to Revenue amounted to Rx. 3,621,252, being slightly less than was taken in the Revised Estimate.

Section II.—Revised Estimate of 1894–95.

92. The following statement contains a general comparison of the figures of the Budget and Revised Estimates of 1894–95, the former having been made up on the basis of a rate of exchange of 14*d.*, and the latter of 13·09*d.*, to the rupee (or more exactly Rs. 18⅓ to the pound):—

——	Budget.	Revised.	Revised, better.	Revised, worse.
Revenue.				
India - - - - - Rx.	91,728,000	94,783,800	3,055,800	—
England - - - - - £.	173,200	202,000	28,800	—
Exchange - - - - - Rx.	123,700	168,300	44,600	—
Total - - Rx.	92,024,900	95,154,100	3,129,200	—
Expenditure.				
India:				
Imperial, Provincial, and Local Rx.	66,373,500	65,857,600	515,900	—
Adjustment for Provincial and Local Surplus and Deficit - Rx.	—1,184,400	—654,200	- -	530,200
Net - - Rx.	65,189,100	65,203,400	- -	14,300
England - - - - - £.	15,830,300	15,796,500	33,800	—
Exchange - - - - - Rx.	11,307,400	13,163,700	- -	1,856,300
Total - - Rx.	92,326,800	94,163,600	- -	1,836,800
Surplus (+) - Rx.	—	+990,500	—	—
Deficit (—) - Rx.	—301,900	—	1,292,400	—

93. The

93. The revenue in India has increased by a very considerable amount, and there has also been a slight improvement in the revenue in England. The total expenditure in India is below the estimate, the Imperial Expenditure, including that in England, sharing in the improvement, though to a smaller extent. But the fall in the rate of exchange from 14*d.* to 13·09*d.*, a fall of slightly less than 1*d.*, absorbs nearly two crores of the increased revenue. The net result is, nevertheless, a considerable improvement, the deficit of Rx. 301,900 being converted into a surplus of Rx. 990,500.

94. The total improvement of the revenue in India amounts to Rx. 3,055,800, of which the Imperial share is no less than Rx. 2,895,300, the small balance of Rx. 160,500 arising out of the provincial and local portion of the Accounts. The bulk of the improvement is under Opium, Customs, and Railways, which are either wholly or mainly Imperial heads of account.

95. The heads under which a considerable improvement is anticipated are—

—	Imperial.	Provincial and Local.	Total.
	Rx.	Rx.	Rx.
Opium	928,400	- - -	928,400
Stamps	17,100	41,500	58,600
Excise	150,200	45,300	195,500
Customs	922,900	7,200	930,100
Assessed Taxes	30,100	22,300	52,400
Miscellaneous	31,500	30,400	61,900
Railway Revenue Account	799,900	3,900	803,800
Army	120,000	- - -	120,000
Total - - - Rx.	3,000,100	150,600	3,150,700

96. The large improvement in opium occurs mainly in the sales of Bengal opium, which account for Rx. 795,300 of the Rx. 928,400 shown above, but in Bombay the duty on Malwa opium has also improved by the considerable amount of Rx. 134,600.

In Bengal it proved necessary, in consequence of another bad season and small crop, to reduce the number of chests sold during the last six months of the year from 3,525 to 3,105 a month, thus reducing the total number of chests sold in the year from 42,300 to 39,780. But so great has been the rise in price, partly owing, no doubt, to the restriction in the amount sold, that the outcome has been the largely improved receipts noted above. For the Budget it was not considered safe, having regard to the prices ruling in March last, to take a higher average rate than Rs. 1,070 a chest, but the actual average rate for the year has been Rs. $1{,}337\frac{11}{16}$, while the highest average touched in any month was Rs. 1,540 in February.

October was the first month in which the diminished number of chests was offered for sale, but the reduction was announced on 19th June 1894, and the price rose steadily till February. After the February sale a sudden reaction set in, and the price realised in March was more than Rs. 200 a chest below that realised in February.

The prices of Malwa opium have risen, as well as those of Bengal opium, though not to the same extent. The rise was considered sufficient to justify the imposition of an increased duty on Malwa opium, and the duty was accordingly raised from Rs. 600 to Rs. 650 a chest by a notification issued on 11th December 1894. The higher duty does not appear to have materially checked exports, and it will bring in during the current year about Rx. 27,900 out of the total improvement of Rx. 134,600 in Bombay.

97. The improvement of Rx. 58,600 in the revenue from Stamps is mainly the outcome of increases of Rx. 65,000 and Rx. 30,000 in Bengal and Madras, and of decreases of Rx. 30,000 and Rx. 16,000 in the North Western Provinces and Oudh and the Punjab.

98. In Excise Revenue there has been a general improvement everywhere except in the Central Provinces, where, however, the falling-off is very slight, and in Assam, where it is expected that the Budget Estimate will just be realised. The largest improvement has been in Madras (Rx. 60,000), Bengal (Rx. 45,000), Lower Burma (Rx. 33,000), and Bombay (Rx. 28,000).

99. Under Customs, Rx. 63,200 of the total increase of Rx. 930,100 is due to improvements in Export Duties (Rx. 41,400) and Miscellaneous Revenue (Rx. 21,800). The remainder (Rx. 866,900) arises from the duties on imports. A considerable portion of it accrues from the Cotton Duties which were imposed on December 27th last, and are expected to produce this year the following (gross and net) amounts :—

	Rx.
Import Duties - - - - - -	354,100
Excise Duties - - - - - -	12,500
Gross Revenue - - -	366,600
Less, Refunds - - -	7,500
NET REVENUE - - -	359,100

The balance of Rx. 500,300 is due almost entirely to the new duties imposed in March last having proved more productive than was then expected. The Budget and Revised Estimates for Import Duties (other than Cotton Duties) are classified in the table below under certain general heads :—

———	Budget Estimate, 1894–95.	Revised Estimate, 1894–95.	Increase.	Decrease.
IMPORT DUTIES.	Rx.	Rx.	Rx.	Rx.
Articles on which the duties remained unaltered.				
1. Liquors - - - - - -	612,000	621,000	9,000	—
2. Arms and Ammunition - - - -	31,250	35,000	3,750	—
3. Other articles - - - - -	450	*	—	450
TOTAL - - -	643,700	656,000	12,300	—
Articles on which new or enhanced duties were imposed.				
4. Articles of food and drink - - -	246,000	296,000	50,000	—
5. Chemicals, Drugs, Medicines, &c. - -	62,500	94,000	31,500	—
6. Silver Bullion and Coin - - -	100,000	355,000	255,000	—
7. Other Metals and Manufactures of Metals - - - - - - -	210,500	208,000	—	2,500
8. Oils - - - - - - - -	392,000	310,000	—	82,000
9. Manufactured articles - - -	393,000	504,000	111,000	—
10. Raw materials and unmanufactured articles	66,000	121,000	55,000	—
TOTAL - - -	1,470,000	1,888,000	418,000	—
Deduct—Refunds and Drawbacks - - -	70,000	†	70,000	—
GRAND T	2,043,700	2,544,000	500,300	—

* Included under (5). † Shown as expenditure in Revised.

The only article in the case of which the duty is expected to fall seriously short of the estimate of March last is Petroleum; allowance was made for a considerably decreased import in consequence of the enhancement of the duty, but the reduction has proved insufficient, as there has been an enhancement of price due to other causes than increased duty. Metals, other than silver, will give about the amount anticipated, but in the case of all the other articles the Revised Estimate now framed is considerably in excess of the Budget. The largest increase is in the duty on silver, for which it was not in March last considered safe to take a larger amount in the absence of information as to the effect which the duty might have in checking the importation of this metal. The gross and net imports of silver for the first eleven months of the year are—

	Value of Gross Imports.	Value of Net Imports.
1894.	Rx.	Rx.
April	605,485	437,559
May	414,159	305,052
June	495,885	291,643
July	1,094,258	913,014
August	897,994	691,588
September	777,617	735,707
October	414,023	198,715
November	360,561	288,762
December	567,203	528,171
1895.		
January	735,645	677,614
February	592,003	554,753
TOTAL ELEVEN MONTHS	6,954,833	5,622,578

100. Assessed Taxes show an improvement everywhere but in the Central Provinces, where the falling-off is almost inappreciable. The largest increases are Rx. 20,000 in Bengal and Rx. 19,500 in Madras.

101. Under Miscellaneous Revenue the principal items making up the improvement of Rx. 61,900 are (1) the Refund of the Opium Commission Charges incurred in 1893-94 which will be brought to account in India —Rx. 9,400; (2) increased gain by exchange on transactions in the Local Currency of Hyderabad (Halis) Rx. 6,000, the value of the Halis having fallen considerably since the mints were closed; (3) an improved Revenue of Rx. 10,000 in Bengal from fees for survey of Tea Lands and from Partition Fees; (4) a special repayment of Rx. 7,600 by the Bombay Port Trust on account of a portion of its debt to Government which does not bear interest; and (5) an improvement of about Rx. 3,000 in the Revenues of Berbera and Zaila.

102. The Railway Revenue has continued to develope in a most satisfactory way. The improvement shown above is made up as follows:—

	Rx.
State Railways Gross Receipts	1,194,400
Guaranteed Railways Net Traffic Receipts	—406,500
Subsidised Railways	15,900
TOTAL	803,800

The only untoward feature is the large falling-off in the net receipts of Guaranteed Railways, chiefly on the Great Indian Peninsula Railway (Rx. 480,000), against which there is some set-off in improved receipts on the Bombay Baroda and Central India Railway (Rx. 82,500). On State Railways the improvement has been general, the only important exceptions being the Mysore Railway (—Rx. 20,000) and the Burma Railway (—Rx. 90,000), the last of which has remained at the low level of 1893-94, and has not recovered the ground lost in that year, as it was expected to do when the Budget was framed. The improvement has been very large on some lines, such, for instance, as the following:—

	Rx.
East Indian	190,000
Rajputana-Malwa (including Godhra-Rutlam)	222,500
Eastern Bengal	210,000
Oudh and Rohilkhand	195,000
North-Western	300,000

while the Indian Midland, Southern Mahratta, East Coast, and Bengal and North-West and Tirhoot Railways also show a material excess over the Estimates.

Of course, in the case of Railways there is always some set-off against increased Revenue in the shape of enhanced working expenses, and this year this enhancement has amounted to Rx. 411,200. But, even taking the net Traffic Receipts for State Railways, the improvement mounts up to the very large figure of Rx. 783,200.

103. The increase in Army Receipts has arisen chiefly under Commissariat Receipts (Rx. 18,600), due to larger sales of malt liquor in consequence of the increased strength of British Troops, and under Ordnance Receipts (Rx. 82,300), due to larger sales of stores.

104. The only head of Revenue under which a noticeable falling-off is expected is Land Revenue (Rx. 194,900). This is due mainly to suspensions in the North-Western Provinces, where the Revenue is expected to fall short by Rx. 196,500 of the figure taken in the Budget Estimates; the arrears will, it is expected, be collected next year, the Budget Estimate for which is correspondingly raised. There are also decreases of Rx. 58,300 in the Central Provinces, of Rx. 74,800 in Bombay, and of Rx. 52,800 in the Punjab, owing largely to similar postponements of collection, which have led to Revenues due in 1894–95 being reserved for collection in 1895-96. In Bombay there have also been some remissions of Revenue owing to floods in the Sind Districts. These reductions have been partially counterbalanced by improved collections in other provinces, principally Madras (Rx. 101,400) and Upper Burma (Rx. 55,000).

105. The increase in the sterling Revenue occurs under the head of Army Receipts, which are expected to give 66,600*l.* against 33,400*l.* in the Budget, the greater portion (28,900*l.*) of the excess accruing under the head of Indian Troop Service, and being due to the sale of three troopships for which no provision was made in the Estimates. Against this improvement there is a diminished receipt of 6,500*l.* under Interest, the Secretary of State's balances not having been invested to the same extent as usual, owing to the low rate of interest prevailing during the greater part of the year.

106. The total falling-off of Rx. 515,900 in the Expenditure in India as compared with the Budget is made up of a reduction of Rx. 146,200 in the Imperial Expenditure, and of Rx. 369,700 in the Provincial and Local Expenditure; it is the net outcome of several increases and decreases, some of which are of considerable proportions.

107. The

107. The more important increases and decreases are stated below :—

	Imperial.	Provincial and Local.	Total.
Increases.	Rx.	Rx.	Rx.
Refunds and Drawbacks	44,000	2,100	46,100
Interest	282,200	—3,400	278,800
State Railways Working Expenses	433,000	—21,800	411,200
Total	759,200	—23,100	736,100
Decreases.			
Land Revenue	12,800	67,500	80,300
Opium	610,100	—	610,100
Forest	28,800	21,600	50,400
Telegraph	44,000	—	44,000
Law and Justice—Jails	100	45,000	45,100
Police	30,300	32,700	63,000
Education	1,600	48,100	49,700
Civil Works	15,100	129,900	145,000
Army	50,600	—	50,600
Total	793,400	344,800	1,138,200
Net Decrease	- -	- -	402,100

108. Exchange Compensation has not materially affected many of the heads of the estimates. The rate of exchange adopted for the Budget Estimate was 14*d.*, which gives a maximum percentage for the calculation of Exchange Compensation Allowance of Rs. 14-4-7 per cent. The actual market rate applied has been for the four quarters $14\frac{3}{8}d.$, $13\frac{5}{16}d.$, $13\frac{5}{32}d.$, and $13\frac{1}{4}d$, which give an average rate for the whole year of just over $13\frac{1}{2}d.$—the exact average is $13\frac{67}{128}d.$—with an average percentage for calculation of Exchange Compensation Allowance of Rs. 16-10-2. The percentage has thus been raised by Rs. 2-5-7. The total increase, however, over an estimate of Rx. 1,113,300 is only Rx. 122,600, which falls far short of being proportionate to this increased rate of percentage. The reason for this is that the basis for an accurate estimate—namely, a knowledge of past actuals—was wanting in March last; and there seems also to have been some tendency to over-estimate the charge.

Such details as are necessary for exhibiting the difference between the Budget and the Revised Estimate are given in the following table :—

	Budget Estimate, 1894-95.			Revised Estimate, 1894-95.			Increase + Decrease — on Total.
	Imperial.	Provincial.	Total.	Imperial.	Provincial.	Total.	
	Rx.	Rx.	Rx.	Rx.	Rx.	Rx.	Rx.
Civil Heads (including Marine and Post Office)	143,000	349,800	492,800	149,600	378,300	527,900	+ 35,100
Army	465,800	- -	465,800	518,600	- -	518,600	+ 52,800
State Railways Working Expenses	47,900	2,900	50,800	87,600	2,500	90,100	+ 39,300
Other Public Works Heads (including Telegraph)	56,200	47,700	103,900	56,400	42,900	99,300	— 4,600
Total Rx.	712,900	400,400	1,113,300	812,200	423,700	1,235,900	+ 122,600

The only item which needs special notice is the increase under State Railways Working Expenses; the disproportionate increase in that case from Rx. 50,800 to Rx. 90,100 is due to the fact that provision was not made in the

Budget for the payment of the allowance to Company's servants; the various Companies having adopted the principle only after the Budget was passed.

109. Of the increased charge under Refunds and Drawbacks, Rx. 38,200 occurs in Bombay, and is due mainly to refunds, &c., of Customs Duties. The increase is due partly to the refunds and drawbacks arising out of the new Cotton Duties imposed in December 1894, but partly also to the similar charges arising out of the new Customs Tariff of March 1894. For these refunds, provision was made in the Budget by deduction from the anticipated Revenue.

110. The increase under Interest is a consequence of the measures for the conversion of the Rupee Debt which were taken in the course of the year and have been briefly described above in Part I. Some further particulars are given in a separate section of this statement (see Section VI. below).

The result of these measures has been to raise the charge for interest in the current year by Rx. 301,000, chiefly owing to the payment of an extra ½ per cent. of interest up to 1st August 1895 under the terms first offered, as contained in the Notifications of 30th June and 13th August, and to the payment of the commission which was allowed to principals or agents actually tendering notes for conversion.

The expenditure under the head General Administration has also been slightly increased by these operations, owing to payments made to the Bank of England and to the Presidency Banks for the extra work involved in the conversion.

A saving of Rx. 524,800, however, in next year's estimates, under the head Interest, results from the conversion operations (see paragraph 158), and this saving will be repeated in the Estimate of future years.

111. The increased charges for the working expenses of State Railways are the necessary result of the improved Revenue; and have already been mentioned in connection with that improvement. (See paragraph 102).

112. The decrease under Land Revenue charges occurs chiefly in Bombay (Rx. 34,600) and the North-Western Provinces (Rx. 30,500), but there have been savings in all Provinces except Lower Burma, Bengal, and the Punjab, where the charges have exceeded the Budget by Rx. 18,300, Rx. 10,300, and Rx. 3,300 respectively. In Bombay the principal savings are due to new establishments, for which provision was made, not having been entertained, and to savings in boundary marks expenditure, partly owing to large arrear recoveries, which are brought to account by deduction from expenditure. In the North-Western Provinces the saving is to a considerable extent nominal, being chiefly due to the transfer of certain charges from this head to Law and Justice. In Lower Burma the major part of the increased charge arises from increased commission paid on account of enhanced Land Revenue collections.

113. The saving under Opium is due to the bad crop, to which reference has already been made (see paragraph 96). When the Budget was framed, the expectation was entertained that there would be a very good crop; but the actual crop was the worst that has ever been secured. The result has been the large saving shown above.

114. Under Forests savings are expected everywhere, except in the Punjab, where there is a slight increase of Rx. 3,000. The largest savings occur in Madras (Rx. 14,500), Bombay (Rx. 10,700), and Lower Burma (Rx. 8,500).

115. The decrease of Rx. 44,000 in the expenditure in the Telegraph Department is attributed to (1) recoveries on account of the Kashmir, Mundra, Hurdwar, and Gohna lines of telegraph, which have been treated as reduction of Capital Expenditure, (2) the cost of establishment charged to, and the value of stores recovered from, other Departments being larger than was anticipated, (3) an over-estimate of the cost of labour employed on workshops, and (4) savings in the establishment charges.

116. Under Jails there have been large savings in Bengal (Rx. 19,400) and the Punjab (Rx. 19,000), and smaller savings in most of the other Provinces.

In

In Bengal the saving occurs under jail manufactures, and in the Punjab it is chiefly due to savings on rations owing to the low price of food grains and a smaller number of prisoners.

117. The savings in Police Expenditure have been general, except in Bengal and the North-Western Provinces, where a small excess over the Budget is expected, owing, in both cases, to increased exchange compensation allowance, and in the latter case also to an under-estimate of the ordinary charges of the District Police Force. The largest savings occur in Upper Burma (Rx. 27,500), where, first, a revision of the pay of Assistant Superintendents of Police, for which provision was made, was not carried into effect, and, further, both the District and the Special Police were under full sanctioned strength, and some reductions in the Special Police were effected, which more than counterbalanced heavy extra charges for Escorts and Rations. The savings in other Provinces are in no case large.

118. In the expenditure on Education there have been savings in every Province, the largest occurring in Bombay (Rx. 11,600) and Madras (Rx. 12,300); the saving in Bombay is to a large extent nominal, a sum of Rx. 9,900 for Building Grants having been transferred to other heads of account. In Madras there have been various petty savings, the largest being due to the estimate for Government Schools Special having been framed to include extra expenditure which has not been incurred.

119. Under Civil Works there are lapses in almost all the Provinces, but by far the largest saving, Rx. 101,700, occurs in Madras, chiefly under Local, and is apparently due to the expenditure having been estimated at a higher figure than the Local Authorities could arrange effectively to spend during the year.

120. Under the head of Army the expenditure in India shows a small saving on the whole. There have, however, been considerable increases under some of its sub-heads. The fall in the rate of exchange has raised the total charge for exchange compensation allowance by Rx. 52,800 (see paragraph 108), and the same cause has operated to raise the charge for British soldiers' pay. The rate taken for the latter in the Budget was $15\frac{1}{4}d.$, but it was revised in the course of the year, $14\frac{1}{4}d.$ being taken for the first quarter and $13\frac{1}{2}d.$ for each of the last three quarters, thus giving an average for the year of $13\frac{1}{2}d.$ The extra cost thus involved is Rx. 357,800. The Waziri Expedition is also estimated to cost Rx. 195,000 within the year, besides Rx. 90,000 which come into 1895-96; and some extra expense (about Rx. 35,000) has resulted from the excess over authorised establishment of the effective strength of British Cavalry and Infantry. All this extra expenditure has, however, been counterbalanced by savings in other directions, the largest being under Commissariat Supplies, owing to the generally prevailing low prices of food supplies, which have reduced both the direct charges for provisions for men and food for animals, and the indirect charges for the same which are given in the shape of compensation for dearness of Provisions and Forage. The total saving under the Commissariat Grant, due chiefly to the cause mentioned, is expected to be Rx. 504,800.

121. In sterling expenditure the saving of 33,800*l.* is the net outcome of several increases and decreases, none being of any magnitude except decreases of 70,700*l.* under Interest, of 38,000*l.* under Telegraphs, and of 55,600*l.* under Army, and an increase of 39,700*l.* under Special Defence Works. Under Interest the decrease was mainly due to the issue of 6,000,000*l.* India 3 per cent. stock on which interest is payable for three quarters only within the year, instead of 6,300,000*l.* India bills, in respect of which a whole year's interest was estimated, and to a reduction of the interest due on Temporary Loans from the Bank of England. These savings were lessened by the discount on the issue of the stock just mentioned. Under Telegraphs smaller indents for stores have been sent home, it having been found possible to diminish the time occupied in complying with indents and consequently to reduce the stocks held in India. Under Army the principal saving is in the non-effective charges, especially under Military pensions (40,000*l.*), the charge for which has not increased so much as was expected. Under Special Defence Works the increase

is partly due to payments which were provided for in 1893–94 having been actually made in 1894–95.

122. The decrease in sterling payments would have involved a decrease of Rx. 24,200 in the charge for exchange had the rate remained unchanged. The fall in the average rate of the Secretary of State's drawings from 14*d.* as estimated to 13·09d. as realized is accordingly accountable for an increase of Rx. 1,880,500 in the Exchange.

SECTION III.—BUDGET ESTIMATE OF 1895–96.

123. The following Statement compares the Revenue and Expenditure in India and in England in the Budget Estimates of 1895–96 with that in those of 1894–95 :—

——	1894-95.	1895–96.	1895–96, better.	1895–96. worse.
REVENUE.				
India - - - - - Rx.	91,728,000	96,610,800	4,882,800	—
England - - - - - £.	173,200	171,000	—	2,200
Exchange - - - - Rx.	123,700	142,500	18,800	—
TOTAL - - - Rx.	92,024,900	96,924,300	4,899,400	—
EXPENDITURE.				
India—				
Imperial, Provincial, and Local Rx.	66,373,500	68,332,000	—	1,958,500
Adjustment of Provincial and Local Surplus or Deficit - Rx.	—1,184,400	—623,300	—	561,100
Net - - - Rx.	65,189,100	67,708,700	—	2,519,600
England - - - - - £.	15,830,300	15,910,600	—	80,300
Exchange - - - - Rx.	11,307,400	13,258,800	—	1,951,400
TOTAL - - Rx.	92,326,800	96,878,100	—	4,551,300
SURPLUS+ DEFICIT— - - Rx.	—301,900	+46,200	348,100	—

124. The general features of the Budget of 1895–96 compared with that of 1894-95 are a very large increase of Customs Duties, owing partly to the new duties on cotton yarn and goods imposed in December and partly to increased productiveness of the duties imposed in March last; a considerable increase in Land Revenue, due partly to suspensions carried forward from the current year and partly to increased assessments on revision of settlements; the usual progressive improvement in the other Principal Heads of Revenue and in Railway Revenue; a large saving under Interest owing to the conversion of the Rupee Debt from 4 per cent. to 3½ per cent.; a considerably increased charge under Army, due partly to the lower rate of exchange at which British soldiers' pay and exchange compensation allowance are estimated, and partly to the provision made for an increase to the Native Sepoys' pay, and for special warlike preparations in connection with the disturbances in Chitral; and a further largely increased charge under Exchange, caused by the fall in the value of the rupee from 14*d.* to 13·09*d.*

The net result is a small improvement, the deficit of Rx. 301,900 being converted into a surplus of Rx. 46,200.

125. The Revenue in India in 1895–96 is expected to exceed that taken in the Budget Estimate of 1894 95 by Rx. 4,882,800. Of this the sum of Rx. 1,515,000 is secured by new taxation.

126. The increase in Imperial Revenue is Rx. 3,999,100, and in Provincial and Local Rx. 883,700. The contributions from Provincial Governments amounting to Rx. 405,000, which were taken in the estimates of 1894 95 by reduction of the Provincial share of Land Revenue, disturbed the ordinary distribution of the Revenues as between Imperial and Provincial in that year; and as no contributions are taken in 1895–96 the comparison between the two years is to this extent affected. The Government of India's share in the increased Land Revenue of 1895–96 is almost exactly equivalent to the contributions taken last year from Local Governments, so that on the estimates as framed, though the total revenue under this head gives the substantial improvement of Rx. 666,000, the Imperial share shows a trifling reduction of Rx. 1,900 and the Provincial improvement amounts to Rx. 667,900. But for the disturbance of the ordinary distribution last year, the increase of Rx. 4,882,800 would have been distributed as Rx. 4,404,100 Imperial, and Rx. 478,700 Provincial and Local, and the Provincial share of the increased Land Revenue would have been Rx. 262,900. Under other heads than Land Revenue the Provincial and Local share of the increased Revenue amounts only to Rx. 215,800.

127. The only decreases of Revenue of any importance which are expected in 1895–96 are the following :—

———	Imperial.	Provincial.	Total.
	Rx.	Rx.	Rx.
Interest - - - - - - - - - -	47,200	—3,400	43,800
Gain by Exchange - - - - - - - -	61,600	—	61,600
Irrigation—Major Works Direct Receipts - -	— 44,400	85,700	41,300
Total - - -	64,400	82,300	146,700

128. The falling-off under Interest is due mainly to the reduction in the interest on the Paper Currency Reserve Investment from 4 to 3½ per cent., which reduces the interest credited on that account from Rx. 326,400 to Rx. 285,600.

129. The factors which influence the amount taken to the head of Gain by Exchange have been explained in previous Financial Statements, and it is unnecessary to repeat them. The head is liable to extreme fluctuations; and it is only necessary to state here that the total fall of Rx. 61,600 is the outcome (1) of a falling-off of Rx. 100,200 in Railway transactions, chiefly owing to the absence in 1895–96 of any gain on transactions with the Assam-Bengal Railway, and (2) of an improvement of Rx. 38,600 in other transactions, due to the much smaller difference between the official rate of exchange and the rate for Council drawings taken in the Budget Estimate for 1895–96.

130. Under Major Irrigation Works the falling-off is the net result of a reduction of Rx. 87,900 in the North-Western Provinces, and of increases of Rx. 39,500 and Rx. 7,100 in the Punjab and Bombay. The falling-off in the North-Western Provinces is attributed to the heavy and prolonged rainfall in Northern India during the cold weather season, which has considerably lessened the resort to irrigation. The estimate, however, which is that of the local

officers, and which affects Provincial mainly, seems to err on the side of caution.

131. The principal increases of Revenue in India are the following:—

	Imperial.	Provincial.	Total.
	Rx.	Rx.	Rx.
Land Revenue	—1,900	667,900	666,000
Opium	467,000	—	467,000
Salt	60,900	4,200	65,100
Stamps	26,500	59,900	86,400
Excise	165,600	51,100	216,700
Provincial Rates	—600	129,300	128,700
Customs	1,933,300	8,500	1,941,800
Assessed Taxes	30,000	28,300	58,300
Post Office	92,500	—	92,500
State and Guaranteed Railways	1,135,900	—24,500	1,111,400
Land Revenue due to Irrigation	61,200	—	61,200
Total	3,970,400	924,700	4,895,100

132. Under Land Revenue there is an increase everywhere, except in Lower Burma (Rx. 14,000). The largest increases are in the North-Western Provinces Rx. 211,000, Madras Rx. 195,600, Central Provinces Rx. 99,000, and Bombay Rx. 111,500. In the North-Western Provinces Rx. 175,000, in the Central Provinces Rx. 54,200, and in Bombay a considerable amount, are due to suspensions or postponements in the current year of revenue which is expected to be realised in 1895–96. The rest of the increase in these Provinces is due to revisions of settlement. The same cause accounts for the greater part of the increase in Madras; but some of the improvement is also due to enhancement of water tax in the Godavari and Kistna Districts.

133. Under Opium the increase occurs chiefly in Bengal (Rx. 324,900), but there is also an increase of Rx. 124,600 in Bombay. The increase in Bengal is due to the higher level of prices now prevailing, which justifies us in taking a rate of Rs. 1,300 per chest, against Rs. 1,070 taken last year. The price of Bengal Opium is liable to great fluctuations, which render this head of Revenue one of the most difficult to estimate with even an approach to accuracy. But in view of the fact that the average price for the current year is Rs. $1{,}337\frac{11}{16}$; that the price realised at the monthly sales has not been below Rs. 1,300 since June last; that the current market price is quoted at over Rs. 1,300; and that the estimate of the number of chests to be sold is based upon the present low scale, the estimate of Rs. 1,300 seems safe. The considerable increase in price, as compared with that taken in the Budget of 1894–95, much more than counterbalances the reduction in the number of chests sold from 42,300 to 37,260. In Bombay the increase is almost entirely due to the rate of duty having been raised from Rs. 600 to Rs. 650.

As explained below (paragraph 167) the opium expenditure has increased even more than the Revenue, and the net Opium Revenue in India is Rx. 33,000 below the Estimate for 1894-95.

134. The Salt Revenue fell off seriously in 1893–94; it was, however, anticipated that the fall would be only temporary, and the Budget of 1894–95 provided for a normal amount. This estimate has been fully realised, and the Revised Estimate now provides for an increase of Rx. 16,500 over the Budget of that year. The Budget Estimate for 1895–96 provides for a further increase

increase of Rx. 48,600, which is made up of increases in India, Burma, and Madras, and decreases in Bombay and Bengal, where the improvement during the current year has been largest and may not be maintained next year.

135. In the case of Stamps the usual progressive increase has been realised during 1894-95, the Revised providing for an excess of Rx. 58,600 over the Budget Estimate of the year. The Budget of 1895-96 provides for a further increase of Rx. 27,800, the only considerable increase being one of Rx. 18,000 in the North-Western Provinces and Oudh, where there has been a large falling-off of Rx. 30,000 from the Budget of 1894-95, some portion of which, it is expected, will be recovered in 1895-96; the Budget figure for that Province is even now Rx. 12,000 below that for 1894-95.

136. As explained above (paragraph 98), the Excise Revenue in 1894-95 is expected to exceed the Budget by Rx. 195,500. The Budget, therefore, for 1895-96, which exceeds that of 1894-95 by Rx. 216,700, really provides only for the very moderate increase of Rx. 21,200 over the Revised Estimate of the preceding year.

137. The increase of Rx. 128,700 under Provincial Rates is made up principally of increases of Rx. 86,000 in Madras, and Rx. 20,700 in the North-Western Provinces and Oudh. The improvement in Madras is due partly to the village cess collections being made for the whole year, and not for nine months only as in 1894-95 (see paragraph 99 of Financial Statement for 1894-95), and partly to the causes which have led to increased Land Revenue in that Presidency. In the North-Western Provinces and Oudh the increase is largely due to suspensions carried forward from the current year, as in the case of Land Revenue (paragraph 132).

138. Of the total increase of Rx. 1,941,800 under Customs, the sum of Rx. 1,515,000 is due to the new duties on Cotton imposed in December 1894. The remainder of the increase is mainly due to the greater productiveness of the new duties imposed in March 1894. The distribution of the duties between the various detailed heads is shown in the table in paragraph 172.

139. Under Assessed Taxes the improvement in the Revised Estimate (see paragraph 100) is repeated in the Budget of 1895-96, with a very small further advance of Rx. 5,900.

140. Of the increase under Post Office, an improvement of Rx. 31,200 has already been secured in the Revised Estimate of 1894-95. The balance of Rx. 61,300 represents the normal annual progress, the rate of which is increasing year by year. There is, of course, increased expenditure to accompany the increased Revenue, but the net Revenue under this head is making steady progress (*see* paragraph 180).

141. The Estimate of Railway Revenue provides for an increase of Rx. 49,500 under Guaranteed Railways, and of Rx. 1,061,900 under State Railways. For State Railways the improvement in 1894-95 has been so marked, especially in the case of a few Railways (see paragraph 102), that it is not considered safe to estimate the Revenue for 1895-96 at the high figure provided in the Revised; the Estimate for 1895-96 accordingly allows for ordinary progress on most lines, but for a reduction on the lines where the increase during the current year has been unusually large; but on the whole it falls short of the Revised by only Rx. 132,500. As regards the Guaranteed Railways, the Estimate anticipates that the whole of the falling-off during the current year will be rather more than recouped in 1895-96.

142. The Land Revenue due to Irrigation is expected to rise in Madras by Rx. 29,700, in the Punjab by Rx. 20,400, and in Bombay by Rx. 11,100, for reasons which are explained in detail below (see paragraph 192). In the North-Western Provinces it remains stationary.

143. In the Sterling Revenue in England there are no large increases or decreases, and the total difference between the estimates is only 2,200*l.*, the main cause of which is a decrease of 5,000*l.* under Interest, owing to the low rate now prevailing in London.

 144. The

144. The principal increases of expenditure in India in 1895-96 are—

	Imperial.	Provincial and Local.	Total.
	Rx.	Rx.	Rx.
Refunds	91,800	1,300	93,100
Opium	500,000	- - -	500,000
Law and Justice (Courts)	—2,400	85,400	83,000
Police	—19,900	74,000	54,100
State Railways:			
Working Expenses	348,300	—53,100	295,200
Interest	188,300	400	188,700
Irrigation:			
Major Works	69,000	3,900	72,900
Minor Works	50,100	18,200	68,300
Military Works	146,500	- - -	146,500
Civil Works	127,600	33,200	160,800
Army	901,300	- - -	901,300
TOTAL - - - Rx.	2,400,600	163,300	2,563,900

145. For Exchange Compensation the total amount taken in the Budget of 1895-96 is Rx. 1,456,500, calculated at the percentage of Rs. 19-3-8, the equivalent of a market rate of 13*d.*, as against Rx. 1,113,300, calculated at the percentage of Rs. 14-4-7, the equivalent of 14*d.* to the rupee, in the Budget of 1894-95. The increase of Rx. 343,200, which is spread over all the Budget heads, is not, however, proportionate to the increase in the percentage, because, as explained above (*see* paragraph 108), the expenditure on this account was over-estimated in 1894-95. Compared with the Revised Estimate of 1894-95, the increase is Rx. 220,600. Some details of the charge on this account are given in the following table, and are compared with the corresponding figures for 1894-95 : —

Heads of Account.	Budget Estimate, 1894-95.	Revised Estimate, 1894-95.	Budget Estimate, 1895-96.	Increase of Budget 1895-96, over Budget 1894-95.
Civil Departments (including Post Office and Marine):	Rx.	Rx.	Rx.	Rx.
Land Revenue	81,800	79,200	93,700	11,900
Law and Justice—Courts of Law	115,500	123,200	148,400	32,900
General Administration	61,500	70,600	80,100	18,600
Police	53,600	60,300	71,800	18,200
Other Heads	180,400	194,600	243,200	62,800
Total Civil Departments	492,800	527,900	637,200	144,400
Army	465,800	518,600	610,000	144,200
State Railways—Working Expenses	50,800	90,100	87,800	37,000
Other Public Works	103,900	99,300	121,500	17,600
Grand Total	1,113,300	1,235,900	1,456,500	343,200

The only head under which more than proportionate increase occurs, is State Railways, the reason for which has already been explained in paragraph 108. But under all the heads indicated in the table the increased charge due to the fall in the rate of exchange is considerable.

146. The increase in the case of Refunds occurs in Bombay (Rx. 81,300) and Bengal (Rx. 7,900). That in Bombay is due entirely to the provision made for refunds and drawbacks in connection with the Customs Duties, the provision for

for Customs refunds having been raised from Rx. 7,400 to Rx. 89,800. Out of this increase of Rx. 82,400, it is expected that Drawbacks on Cotton Duties, Customs and Excise, will amount to Rx. 50,000 ; the remainder is due to provision for the Customs refunds on other goods having been taken in the Budget for 1894–95 by deduction from the Revenue (*see* paragraph 109). The increase in Bengal also is due to the provision for Customs Duties, namely, Rx. 5,000 for Cotton Duties, and Rx. 3,400 for other Customs Duties.

147. The increase under Opium is due to provision having been made for extra charges of Rx. 400,000 for the enhanced price of Rs. 6 instead of Rs. 5 a seer paid to the cultivators, and of Rx. 100,000 for the purchase of Malwa Opium for the manufacture of Excise Opium. A succession of six bad seasons, the last being the worst, has necessitated the action taken in both these cases, it being absolutely necessary to raise the price in order to prevent a wholesale reduction in the area cultivated with poppy, while the total absorption of the Opium Reserve rendered it advisable to purchase Malwa Opium for excise purposes, and thus set free a larger amount of the Bengal crop for building up again a suitable reserve.

148. Under Law and Justice the principal increase occurs in the North-Western Provinces and Oudh (Rx. 33,100), the greater part of which is nominal, being due to a transfer of certain charges from Land Revenue to this head. The only other variations of any magnitude are in Lower Burma (Rx. 16,600) and Bengal (Rx. 15,600). In Lower Burma provision is made for a second Additional Sessions Judge and his Establishment (about Rx. 5,800), and for the remuneration of copyists (Rx. 1,400) previously paid out of fees which were not brought to account. In Bengal the difference is mainly due to the increase in Exchange Compensation Allowance.

149. In Police expenditure there is almost everywhere an increase; the largest occurring in the North-Western Provinces and Oudh (Rx. 19,800), Madras (Rx. 20,600), and Bengal (Rx. 17,500). In the North-Western Provinces and Oudh provision is made for general re-organization of the District Police, and in Madras for a similar re-organization of the Railway Police. In Bengal extra expense is anticipated for Station Charge Allowances, for Police Clothing, and for the new Military Police at Gnatong. In all these Provinces the increase is also swelled by the enhanced charge for Exchange Compensation Allowance. In Upper Burma a satisfactory reduction of Rx. 16,900 under this head is distributed between District and Special Police ; reductions in the Police Force are being effected, and the estimates provide for a reduction of two companies in the Military Police, and for a smaller number of Mounted Police.

150. Under State Railways the increase in working expenses is a necessary concomitant of the increased revenue (*see* paragraph 111); while the larger interest charges, transferred from the head of Ordinary Debt, are the result of the increased capital expenditure.

151. The increase under Major Irrigation Works is made up of Rx. 44,000 for working expenses and Rx. 28,900 for Interest. Of the increase in working expenses Rx. 33,000 occurs in the Punjab, where it is more than covered by the improvement in receipts (*see* paragraph 130). The excess in Interest is due to the cause mentioned in the preceding paragraph, namely, the increased Capital Expenditure, which necessitates the transfer of a larger amount of interest from the head of Ordinary Debt.

152. The increase under Minor Irrigation Works occurs chiefly in Bombay (Rx. 36,900), Madras (Rx. 44,300), and the Punjab (Rx. 13,800), and there is, on the other hand, a reduction in Lower Burma (Rx. 28,300). The increase in Bombay is chiefly due to the provision made for special repairs to flood damages in Sind.

153. Under Military Works the expenditure was cut down as a measure of economy to help the Government towards securing equilibrium between Revenue and Expenditure. It has not been found possible to maintain the expenditure at this low rate for another year. Of the total amount of Rx. 1,166,300 provided under this head in England and India, only Rx. 297,600 are available for new works.

 154. Of

154. Of the increase under Civil Works, Rx. 127,600 is Imperial. The small balance of Rx. 33,200 is the net outcome of increases and decreases in the Provincial and Local Expenditure in various provinces.

The Imperial Expenditure under this head was cut down last year with the object mentioned in the preceding paragraph, and in this case also a larger expenditure is absolutely necessary, unless efficiency is to be sacrificed, maintenance and repair grants having been reduced in some cases in the current year in order to keep within the Budget Grant. Even with the increase now estimated the Imperial Expenditure does not come up to the standard of 1893–94.

The Provincial expenditure was also materially curtailed in 1894–95, partly to enable the Local Governments to make the contributions which were required to produce some approach to equilibrium in the Imperial Finances. In some cases the Local Governments have been able to provide for a slightly increased rate of expenditure in 1895–96, but others, whose arrangements were too far advanced to allow of their reducing their expenditure this year, are obliged to do so next year, so that the net result is a very small increase, as shown above. The increases and decreases are nowhere large, except in Lower Burma, where the Provincial and Local expenditure is reduced by Rx. 59,300.

155. Under Army the increase of Rx. 901,300 is largely due to the fall in Exchange which affects Exchange Compensation Allowance and the British soldiers' pay. The following table compares the actuals for 1893–94 and the Estimates for 1894–95 and 1895–96, distinguishing the above charges :—

	Accounts, 1893–94.	1894–95.		1895–96, Budget.	Excess of Budget for 1895–96 over Budget for 1894–95.
		Budget.	Revised.		
	Rx.	Rx.	Rx.	Rx.	Rx.
Exchange compensation allowance -	264,620	465,800	518,600	610,000	144,200
Additional payment to British soldiers on account of exchange (approximate) - - - - - -	852,200	776,500	1,134,300	1,156,400	379,900
Balance of expenditure in India - -	14,848,016	14,926,900	14,465,700	15,304,100	377,200
TOTAL EXPENDITURE IN INDIA -	15,964,836	16,169,200	16,118,600	17,070,500	901,300

It will be seen that, eliminating the items which increase directly with the fall in exchange, the increase provided in the Budget for 1895–96 is only Rx. 377,200. Of this difference the sum of Rx. 180,000 is due to the proposed increase in the pay of the Native Sepoy, and Rx. 150,000 to the provision for warlike preparations in connection with the disturbances in Chitral, thus leaving only a small balance of increase of Rx. 47,200 to be explained. This small increase is, however, the net outcome of several increases and decreases.

The principal increases and decreases, excluding those already mentioned, are as follows :—

INCREASES.	Rx.
Re-organisation of Army Commands and Staff in India (Rx. 10,000 was provided on this account in 1894–95) -	11,300
No deduction made in 1895–96 for short strength of the British Army, which is now over strength - - -	17,900
Revision of establishment of lance ranks in the British Army - - - - - - - - - - -	13,400
Increased provision for good conduct pay to British troops and smaller deduction for probable savings - - -	31,000
Increase in the number of reservists in the Native Army -	13,000
Increased payments for re-mounts due to the price being fixed at 45*l.* each converted at the prevailing market rate of exchange - - - - - - - - - -	13,000
Increased strength of volunteer corps - - - -	10,400
Increased cost of hutting Native Troops - - - -	18,500
Increased provision for special Expeditions, namely :—	
Waziri Expedition - - - - - - - -	90,000
Other Expedition charges (Rx. 69,000 *minus* Rx. 40,000 provided in 1894–95) - - - -	29,000
TOTAL - - -	247,500

Decreases.	Rx.
Fall in the price of articles of food - - - - -	164,000
Absence of special provision made in 1894–95 for replacing the mobilisation stores destroyed by fire at Peshawar -	38,200
Smaller provision for clothing materials - - - - -	12,000
Smaller provision for Ordnance stores - - - - -	18,500
Total - - -	232,700

156. The only heads under which there are important decreases of expenditure in India in the Budget of 1895–96 are the following :—

	Rx.
Assignments and Compensations - - - - -	37,300
Interest on ordinary debt - - - - - -	783,200
Special Defences - - - - - - - -	43,500

157. Under Assignments and Compensations the decreases occur in the Central Provinces (Rx. 21,800), and in Bombay (Rx. 15,900). In the former special compensation to zemindars for resumption of abkari rights had to be provided in the Budget of 1894–95; this is not a recurring charge, and disappears from the estimates of 1895-96. In Bombay the decrease occurs in the charges brought to account as Alienated Land Revenue, which were overestimated in 1894–95.

158 Of the amount against Interest a saving of Rx. 565,600 is, as shown below, due to the conversion proceedings, against which, however, must be taken as a set-off the diminished receipt of Rx. 40,800 on account of the interest on the Currency Reserve (see paragraph 128):—

Saving due to Conversion Proceedings.

	Rx.
Saving of ½ per cent. on estimated amount of conversions into guaranteed and unguaranteed loans - - -	462,800
Saving of 4 per cent. on amounts discharged or outstanding unpaid - - - - - - - - -	102,800
Total - - -	565,600

A further reduction of Rx. 217,600 under this head is due to transfers to Interest on debt chargeable against Railways and Irrigation (*see* paragraphs 150 and 151).

159. Under Special Defence Works the expenditure is decreasing, for the reasons explained in last year's Financial Statement (*see* paragraph 126 of that statement).

160. The expenditure in England is expected to exceed that of 1894–95 by 80,300*l.* The only changes of any importance are savings of 24,600*l.* under Interest, and of 19,700*l.* under Telegraphs, and increases of 27,800*l.* under Marine, of 29,000*l.* under Political, and of 33,000*l.* under Pensions. The first saving is the net outcome of decreases of 197,500*l.* in the interest on India Bills, and of 10,000*l.* in the interest on Temporary Loans from the Bank of England, and of an increase of 182,900*l.*, being one year's interest on 6,000,000*l.* India 3 per cent. Stock issued to the public, and on 96,000*l.* created pursuant to the Maharaja Dhuleep Sing's Estate Act. This Act authorised the creation of 72,000*l.* of India 4 per cent. Stock as a provision for the Maharaja's younger children on his decease; such stock having, however, ceased to exist, and the intention having been to make provision for a certain yearly income for the children, 96,000*l.* of 3 per cent. stock has, with the consent of the trustees, been substituted for the stock specified in the Act, and has now been created and issued. The saving under Telegraphs is due, as in the case of the Revised Estimate of 1894–95, to lower indents for Stores. The increased charge under Marine is due to an increased contribution towards the expenses of Her Majesty's ships employed in the Indian Seas, the decision of the Arbitrator being that India must pay a share of the cost incurred by the Admiralty in the defence of Indian waters; and that under Political to the provision made for a possible visit of His Highness the Amir of Afghanistan to

England. The pensionary charge continues to increase year by year, but the increase this year is somewhat larger than usual. Under Army Expenditure in England the total variation is very small, and there are no items which require special mention here.

161. Of the increase of Rx. 1,951,400 in the exchange on expenditure in England, Rx. 57,400 are due to the increased charges in England, and the balance of Rx. 1,894,000 is due to the fall in the rate from 14*d.* to 13·09*d.* the rupee.

SECTION IV.—EXAMINATION OF THE ESTIMATES UNDER THE MORE IMPORTANT HEADS OF REVENUE AND EXPENDITURE.

LAND REVENUE.

	Accounts, 1891-92.	Accounts, 1892-93.	Accounts, 1893-94.	1894-95.		1895-96,
				Budget.	Revised.	Budget.
REVENUE.	Rx.	Rx.	Rx.	Rx.	Rx.	Rx.
Including that due to Irrigation:						
India, General - -	138,673	139,065	175,044	159,400	152,700	154,100
Central Provinces - -	701,507	695,038	692,222	798,300	740,000	897,300
Upper Burma - - -	582,561	662,178	722,809	770,000	825,000	794,000
Lower Burma - - -	1,559,475	1,605,479	1,609,106	1,685,800	1,686,800	1,671,800
Assam - - - - -	466,900	472,950	561,728	613,200	630,000	621,000
Bengal - - - - -	3,867,957	3,849,609	3,871,432	3,850,000	3,870,000	3,885,000
North-Western Provinces and Oudh.	6,045,467	6,044,912	6,054,373	6,075,800	5,879,300	6,286,800
Punjab - - - - -	2,346,567	2,356,434	2,445,535	2,477,900	2,435,700	2,499,700
Madras - - - - -	4,422,633	5,157,847	5,488,492	5,371,600	5,482,100	5,596,900
Bombay - - - - -	4,507,223	4,644,122	4,715,794	4,770,100	4,686,500	4,892,700
TOTAL - - Rx.	24,638,963	25,627,634	26,336,535	26,572,100	26,388,100	27,299,300
Shown under XXIX.—Irrigation	673,189	722,306	746,926	868,500	879,400	929,700
Shown under I.—Land Revenue	23,965,774	24,905,328	25,589,609	25,703,600	25,508,700	26,369,600
EXPENDITURE.						
District Administration - -	2,209,498	2,245,258	1,836,660	2,367,500	1,836,400	1,876,300
Other Charges - - -	1,625,628	1,691,087	2,184,953	1,819,300	2,269,800	2,312,800
TOTAL - - - Rx.	3,835,126	3,936,345	4,021,613	4,186,800	4,106,200	4,189,100

162. The distribution of the Land Revenue among the several Provinces is shown in the above table. Almost all the Provinces exhibibit the usual progressive increase under this head. The only points requiring notice are that postponements of revenue in the Central Provinces, in the North-Western Provinces, in the Punjab, and in Bombay, have reduced the Revised Estimate for 1894-95,

1894–95, and raised the Budget Estimate for 1895–96 to an abnormal amount; that the increase in Madras is due partly to new settlements in Tanjore, Godavari, Trichinopoly, and Malabar, and partly to the extension of irrigation, and to the enhanced water rate leviable in Godavari and Kistna; that the high figure in the Revised for both Upper and Lower Burma is due to the collection in the current year of specially large arrears, which will not recur in 1895–96; and that in the latter province a temporary check is stated to have been given to the normal increase in cultivation by a combination during the past two years among the purchasers, and the consequent low range of prices offered to the cultivators.

As far as the expenditure heads are concerned, a comparision with past years before 1893–94 and with the Budget of 1894–95 is affected by the transfer of a share of certain District Establishments in the North-Western Provinces from this head to Law and Justice, and by a transfer of the charges for Kanungo Establishment from the sub-head District Administration to the sub-head Land Records and Agriculture, which is included under Other Charges.

Opium.

	Accounts, 1891–92.	Accounts, 1892–93.	Accounts, 1893–94.	1894–95. Budget.	1894–95. Revised.	1895–96, Budget.
Revenue.						
Bengal—Sale of Opium - - Rx.	5,949,660	6,093,265	4,808,376	4,526,100	5,321,400	4,843,800
Bombay—Pass Fees - - - „	1,839,270	1,670,730	1,600,530	1,665,100	1,800,000	1,790,000
Excise, Opium, and other Revenue „	223,450	229,185	218,665	202,400	200,600	226,800
Total - - - Rx.	8,012,380	7,993,180	6,627,571	6,393,600	7,322,000	6,860,600
Expenditure.						
Payments to Cultivators - - Rx.	1,629,631	1,388,583	1,657,010	1,989,000	1,250,000	2,392,400
Other Charges - - - - Rx.	231,141	212,798	217,488	204,900	393,800	361,500
England - - - - £.	726	696	1,278	800	1,400	700
Exchange - - - - Rx.	315	419	831	600	1,200	600
Total - - - Rx.	1,861,813	1,602,496	1,876,607	2,255,300	1,646,400	2,755,200
Statistics.						
Bengal:						
Chests sold - - - -	56,250	48,852	43,353	42,300	39,780	37,260
Average Price - - - Rs.	1,058	1,247	1,109	1,070	1,338	1,300
Chests produced - - -	44,522	33,679	40,506	—	33,329	—
Chests in balance, 31st March -	40,765	34,592	31,745	—	25,294	—
Reserve, 31st December - -	18,770	9,265	1,814	—	1,280	—
Bombay:						
Chests passed for Export - -	30,654½	27,845½	26,675½	27,751	29,535½	27,538½
Rate of Duty - - - Rs.	600	600	600	600	600 & 650	650

163. The Budget Estimate of receipts in 1894–95 from Bengal Opium was based on the assumption that 42,300 chests would be sold at an average of Rs. 1,070 a chest. The crop was, however, so poor that, there being no reserve, it became necessary to reduce the number of chests sold for the last six months of the year to 3,105 chests a month, thus making the total sales for the year 39,780. So great, however, has been the rise in price that it has much more than made up for the fall in the number of chests sold. The course

course of prices is indicated by the following table of the average rates realised at each monthly sale :—

	Rs.		Rs.
April - - -	1,089	October - -	1,361
May - - -	1,199	November - -	1,370
June - - -	1,204	December - -	1,480
July - - -	1,301	January - -	1,523
August - - -	1,403	February - -	1,540
September - -	1,321	March - - -	1,327

The average price realised for the whole year has been Rs. 1,337-11, or an excess of Rs. 267-11 a chest over the price taken as the basis of the estimate.

The fall at the March sale was very marked. It remains to be seen whether it was due to a cessation of the specially high prices in January and February caused by speculation in China, or to a specially low price in March caused by speculations on the coming crop. Probably it had to do with both these causes. But, whatever may have been the cause, it is not safe to take for the Budget of 1895–96 a higher rate than Rs. 1,300 a chest.

164. The quantity of Bengal Opium to be sold during 1895–96 is taken for the purposes of the estimate at 37,260, being the amount settled for the year 1895 by the notification in June last. The quantity to be sold in the last three months of the year will not, however, be settled till June next.

Though the number of chests is reduced by 5,040, the higher rate gives an increase of Rx. 317,700 in the Budget for 1895–96.

165. The exports of Malwa Opium have fluctuated considerably from month to month; but on the whole the export is expected in 1894–95 to exceed the standard of the last two years and to approximate to that of 1891–92. The price of Malwa Opium both in India and in China rose so considerably during the year (though not to the same extent as that of Bengal Opium) that it was considered advisable in December to raise the rate of duty per chest from Rs. 600 to Rs. 650. This rise in the rate of duty has brought in Rx. 27,900 during the current year. For next year it is not considered safe to repeat the comparatively high results of 1894–95, but with the higher rate of duty the estimate very nearly comes up to the Revised Estimate of the current year.

166. The decrease in the Budget Estimate for 1894–95 on account of the sale of Excise Opium was, as explained in the last Financial Statement, due to the special measures adopted for restricting the use of Opium in Burma. The fall in that province has been slightly beyond what was estimated, and this accounts for the slight decrease in the Revised Estimate. The increase in the Budget Estimate is due to the raising of the price at which Bengal Opium is issued for excise purposes from Rs. 7-4 to Rs. 8-8 with effect from 1st July 1895, in consequence of the rise in the price paid to the cultivator.

167. The expenditure on an average crop was provided for in the estimate for 1894–95. The crop was far below the average, and the expenditure in India has been below the estimate by the very large sum of Rx. 610,100. The saving would have been even larger, had not some expenditure (Rx. 130,000) been incurred in the purchase of Malwa Opium in order to set free a larger amount of the crop for the preparation of provision opium. The series of bad crops, extending over six successive years, not only absorbed the whole of the reserve of opium, but also threatened to render the cultivation unpopular, and so to result in a large reduction in the area cultivated with poppy. It was accordingly decided, before the last sowings commenced, to raise the price paid to the cultivator from Rs. 5 to Rs. 6 a seer. This accounts for the large increase in the estimate of expenditure for 1895–96, which, however, only provides as before for a normal crop, together with Rx. 100,000 for the purchase of Malwa Opium, to take, as far as possible, the place of the Bengal Opium issued to the Excise Department.

SALT.

	Accounts, 1891-92.	Accounts, 1892-93.	Accounts, 1893-94.	1894-95. Budget.	1894-95. Revised.	1895-96, Budget.
	Rx.	Rx.	Rx.	Rx.	Rx.	Rx.
Northern India (*a*)	1,971,135	2,118,090	1,838,656	2,013,300	1,876,400	1,949,800
Burma (*b*)	161,015	162,213	167,590	150,900	119,300	150,300
Bengal (*b*)	2,404,487	2,410,119	2,374,133	2,380,000	2,470,000	2,459,500
Madras (*a*)	1,772,937	1,721,224	1,629,776	1,800,000	1,800,000	1,819,700
Bombay (*a*)	2,326,608	2,244,458	2,218,721	2,285,000	2,380,000	2,315,000
TOTAL - - - Rx.	8,636,182	8,656,104	8,228,876	8,629,200	8,645,700	8,694,300
Charges - - - - - -	459,034	458,707	474,405	518,600	497,600	534,100

(*a*) Chiefly excise on local manufacture. (*b*) Chiefly duty on imported salt.

168. The falling-off in revenue which occurred in 1893-94 was expected to be only temporary, and this has proved to be the case, the Revised Estimate providing for a total revenue in excess of that of 1891–92, and very little short of that of 1892-93. The Budget for 1895–96 provides for a further slight increase.

As regards expenditure, the principal saving in the Revised occurs in Madras under the head of Salt Purchase and Freight. The large increase in the Budget of 1895–96 also occurs mainly in that Presidency, and is stated to be required in view of the necessity for affording full scope for the expansion of departmental operations which have hitherto not been fully developed.

STAMPS.

	Accounts, 1891-92.	Accounts, 1892-93.	Accounts, 1893-94.	1894-95. Budget.	1894-95. Revised.	1895-96, Budget.
REVENUE.						
Court Fees and Plain Paper - Rx.	2,887,774	2,995,369	3,063,463	3,079,100	3,154,000	3,184,000
Commercial and other Stamps - „	1,297,281	1,374,200	1,368,399	1,405,200	1,387,200	1,385,600
Other Revenue - - - - „	77,101	78,971	77,489	77,500	79,200	78,600
TOTAL - - - Rx.	4,262,156	4,448,540	4,509,351	4,561,800	4,620,400	4,648,200
Charges:						
India - - - - Rx.	89,531	91,170	92,424	95,000	93,300	95,200
England (Stores) - - £.	34,105	31,277	38,875	40,000	47,000	55,600
Exchange - - - - Rx.	14,811	18,817	25,263	35,000	39,200	46,300
TOTAL - - - Rx.	138,447	141,264	156,562	179,000	179,500	197,100

169. Stamp Revenue shows considerable progress on the whole, the largest contributions to the increase in the Revised being made by Bengal (Rx. 65,000) and Madras (Rx. 30,000). There has, however, been a falling-off in the North-Western Provinces (Rx. 30,000), Punjab (Rx. 16,000), and Central Provinces (Rx. 8,000). The Budget generally provides for a repetition of the Revised, the small increase being due to the expectation that some portion of the ground lost in the current year in the three Provinces just named will be recovered next year.

Excise.

	Accounts, 1891-92.	Accounts, 1892-93.	Accounts, 1893-94.	1894-95.		1895-96, Budget.
				Budget.	Revised.	
Revenue.	Rx.	Rx.	Rx.	Rx.	Rx.	Rx.
Bengal	1,113,397	1,159,458	1,214,817	1,210,000	1,255,000	1,270,000
North-Western Provinces	524,303*	549,877	572,202	570,000	580,000	580,000
Madras	1,213,964	1,211,146	1,287,466	1,290,000	1,350,000	1,370,000
Bombay	1,025,462	1,025,696	1,071,765	1,070,000	1,098,000	1,098,000
Other Provinces	1,240,138	1,296,266	1,242,323	1,177,600	1,230,100	1,216,300
Total	5,117,264	5,242,443	5,388,573	5,317,600	5,513,100	5,534,300
Charges	190,097	193,013	193,375	205,200	197,100	210,100

170. Excise Revenue has made considerable progress during 1894–95, and the progress has occurred everywhere except in the Central Provinces. The largest excesses over the Budget of 1894-95 have occurred in Madras (Rx. 60,000), Bengal (Rx. 45,000), Lower Burma (Rx. 33,000), and Bombay (Rx. 28,000). In Lower Burma the Budget provided for a considerable falling-off, owing to the restrictive measures already alluded to in connection with Opium, but the reduction has proved less than was anticipated. The Budget of 1895-96 provides for a slight improvement over the Revised of 1894-95, chiefly in Madras and Bengal.

Provincial Rates.

	Accounts, 1891-92.	Accounts, 1892-93.	Accounts, 1893-94.	1894-95.		1895-96, Budget.
				Budget.	Revised.	
Revenue.	Rx.	Rx.	Rx.	Rx.	Rx.	Rx.
District Local Funds	1,979,688	2,058,273	2,080,643	2,082,400	2,110,100	2,129,800
Provincial Cesses, including Famine Insurance.	680,736	693,011	690,918	699,200	691,700	701,100
Village Service and Patwaris	738,922	840,972	608,886	618,300	638,600	695,400
Other Cesses	103,491	114,242	134,124	125,400	122,800	127,700
Total	3,502,837	3,706,498	3,514,571	3,525,300	3,563,200	3,654,000
Charges	58,703	55,659	53,809	53,000	56,800	55,900

171. The Provincial rates continue to progress with the Land Revenue. The variations under village service and patwaris rates are explained above (*see* paragraph 137).

CUSTOMS.

	Accounts, 1891-92.	Accounts, 1892-93.	Accounts, 1893-94.	1894-95. Budget.	1894-95. Revised.	1895-96, Budget.
Import Duties—	Rx.	Rx.	Rx.	Rx.	Rx.	Rx.
Arms, Ammunition, and Military Stores.	31,734	31,162	35,133	31,250	35,000	33,000
Liquors—Spirits	518,838	541,191	529,505	612,000	560,000	543,000
Other sorts	70,746	69,062	66,046		61,000	59,000
Articles of Food and Drink	–	–	18,871	246,000	296,000	292,000
Chemicals, Drugs, Medicines, &c.	501	450	3,498	62,950	94,000	91,000
Silver Bullion and Coin	–	–	3,697	100,000	355,000	250,000
Other Metals and Manufactures of Metals.	–	–	36,230	210,500	208,000	206,000
Oils	174,662	202,309	263,868	392,000	310,000	309,000
Manufactured Articles	–	–	30,987	393,000	504,000	511,500
Raw Materials and Unmanufactured Articles.	–	–		66,000	121,000	118,000
Cotton Goods	–	–	–	–	354,100	1,440,000
	796,481	844,174	987,835	2,113,700	2,898,100	3,912,500
Deduct—Refunds*	–	–	–	70,000	–	–
TOTAL IMPORT DUTIES	796,481	844,174	987,835	2,043,700	2,898,100	3,912,500
Excise Duty on Cotton Goods	–	–	–	–	12,500	75,000
Export Duties—						
Rice	881,957	743,356	663,026	801,300	842,700	780,200
Land Customs and Miscellaneous	22,850	30,103	31,512	27,900	49,700	47,000
GRAND TOTAL	1,701,288	1,617,633	1,682,373	2,872,900	3,803,000	4,814,700
Charges	136,363	140,634	143,736	209,500	187,500	210,300

* Taken as expenditure except in the Budget Estimate of 1894-95.

172. The above table gives full details of the heads under which the Customs Revenue has been collected. The variations between the realisations and the estimate in 1894-95 have been explained above (paragraph 99).

As regards the Estimate for 1895-96, it will be seen that it generally follows the Revised, the only important differences being that—

(1.) A full year's collection of Cotton Duties is taken.

(2.) The duty on silver is estimated on an import of 5 crores, it not being considered safe to assume the continuance of the high scale of import prevailing in the current year.

(3.) Some improvement is taken against Oils, on the expectation that Petroleum imports will show some recovery from the check which resulted from the imposition of additional duties in March last.

(4.) Export duties are estimated at a fair average amount.

ASSESSED TAXES.

	Accounts, 1891-92.	Accounts, 1892-93.	Accounts, 1893-94.	1894-95.		1895-96, Budget.
				Budget.	Revised.	
	Rx.	Rx.	Rx.	Rx.	Rx.	Rx.
Deduction by Government from Salaries, Pensions, and Interest payments.	412,228	416,786	435,138	441,500	459,200	448,800
Other Collections - - - - -	1,240,595	1,269,355	1,304,033	1,299,400	1,334,100	1,350,400
TOTAL - - -	1,652,823	1,686,141	1,739,171	1,740,900	1,793,300	1,799,200
Charges - - - - - - -	29,577	30,171	31,060	32,700	30,700	31,800

173. The revenue from Assessed Taxes makes slow but steady progress. The principal advance this year has occurred in Madras (Rx. 19,500) and Bengal (Rx. 20,000), but there has been no retrogression anywhere except in the Central Provinces, and there it is very slight.

FOREST.

	Accounts, 1891-92.	Accounts, 1892-93.	Accounts, 1893-94.	1894-95.		1895-96, Budget.
				Budget.	Revised.	
	Rx.	Rx.	Rx.	Rx.	Rx.	Rx.
Revenue - - - - -	1,490,582	1,591,332	1,723,022	1,646,000	1,648,000	1,642,200
Expenditure - - - - -	843,926	865,225	906,407	984,400	934,100	995,100
Net - - -	646,656	726,107	816,615	661,600	713,900	647,100

174. The increase in Revenue in the Revised as compared with the Budget is the net outcome of several increases and decreases in the various Provinces, but the principal decrease occurs in the Central Provinces, where it was due to an over-estimate of the Revenue. It was originally estimated that the Revenue in those Provinces would show a large improvement of Rx. 26,600; but this anticipation has not been realised, and the Revised is now taken at about the same figure as the Actuals of 1893-94. The Budget for 1895-96 in the Central Provinces allows for an improvement of Rx. 11,300 over the Revised. The other Provinces either show an improvement or make no material change in the Revised for 1894-95 and in the Budget for 1895-96.

175. The expenditure shows a tendency to increase, but there are generally savings on the estimates, and it is not unlikely that the net produce of both years will be better than indicated by the above figures.

It must be observed, however, that the Government of India have recently laid down a policy of leniency in the supply of forest produce for domestic use, and in the matter of grazing in forest lands. In giving effect to this policy, a certain amount of revenue will be relinquished, and part of it, probably, during 1895-96. It is, however, impossible to estimate the amount beforehand, and it is believed that the decrease will be to some extent covered by corresponding reductions in preventive establishment.

INTEREST.

	Accounts, 1891-92.	Accounts, 1892-93.	Accounts, 1893-94.	1894-95. Budget.	1894-95. Revised.	1895-96, Budget.
RECEIPTS.						
India - - - - Rx.	795,588	830,418	858,921	839,700	812,100	795,900
England - - - £.	58,466	24,543	10,041	10,000	3,500	5,000
Exchange - - - Rx.	25,389	14,766	6,525	7,100	2,900	4,200
TOTAL - - - Rx.	879,443	869,727	875,487	856,800	818,500	805,100
EXPENDITURE.						
Interest on Debt:						
India - - - Rx.	4,168,622	4,267,841	4,273,814	4,199,000	4,500,000	3,633,400
Deduct charged to—						
Irrigation - „	1,109,678	1,138,386	1,165,558	1,193,500	1,193,800	1,222,400
Railways - „	3,004,576	3,169,522	3,346,574	3,498,700	3,520,600	3,687,400
Balance charged to Interest - - Rx.	54,368	—40,067	—238,318	—493,200	—214,400	—1,276,400
England - - - £.	2,639,288	2,433,496	2,505,280	2,682,700	2,612,000	2,658,100
Exchange - - - Rx.	1,146,144	1,464,053	1,628,094	1,916,200	2,176,600	2,215,100
Interest on other Obligations:						
Savings Bank Balances Rx.	306,227	339,362	367,966	325,800	326,000	336,700
Other Items—including Exchange - - „	169,149	177,419	183,347	179,900	179,100	182,000
TOTAL - - - Rx.	4,315,176	4,374,263	4,446,369	4,611,400	5,079,300	4,115,500
Debt outstanding, 31st March:						
Sterling - - - £.	107,404,143	106,683,767	108,113,792	116,418,467	110,109,492	110,109,492
Rupee Debt;						
4 per Cent. - - Rx.	89,448,897	100,471,572	100,706,332	100,691,572	5,556,909	5,436,809
3½ per Cent. - - „	52,180	52,180	3,551,280	3,551,280	96,130,200	96,130,200
Other Debt - - „	13,191,240	2,413,800	1,288,466	1,161,800	2,658,769	1,888,769
Savings Bank Balances - „	8,886,372	9,774,656	10,322,541	10,782,156	10,604,141	11,043,641

176. The reduction of the receipts in India in the Revised is mainly the outcome of a reduction of Rx. 40,000 on account of the postponement till November 1896 of the payment of the instalment of interest on the Kidderpore Dock Loan, which fell due in November 1894, and of an increase of Rx. 20,400 in the profits on the note circulation, due to the payments made on conversion of the currency investment.

The conversion operations also account for the decrease in the Budget of 1895-96. The reduction by one-half per cent. of the interest payable on the currency investment reduces the profits of the note circulation by Rx. 40,800.

177. The reduction in the receipts in England has already been explained (*see* paragraphs 105 and 143).

178. The alterations in the charge for Interest on Debt, both in India and in England, have also been fully explained elsewhere (*see* paragraphs 110, 121, 158, and 160, and Section VI.)

 179. The

179. The Budget of 1894-95 provided for a diminution in the charge for interest on Savings Bank Balances owing to the reduction in the rate of interest from $3\frac{3}{4}$ to $3\frac{1}{2}$ per cent. It seems probable that the actuals will approximate pretty closely to the Budget. Provision is made for a small increase in 1895-96, as the balances continue to advance every year.

POST OFFICE, TELEGRAPH, AND MINT.

	Accounts, 1891-92.	Accounts, 1892-93.	Accounts, 1893-94.	1894-95. Budget.	1894-95. Revised.	1895-96, Budget.
POST OFFICE.	Rx.	Rx.	Rx.	Rx.	Rx.	Rx.
Revenue	1,446,355	1,488,875	1,561,263	1,595,000	1,626,200	1,687,500
Expenditure	1,493,359	1,518,545	1,557,457	1,608,100	1,618,000	1,662,700
Net	—47,004	—29,670	+3,806	—13,100	+8,200	+24,800
TELEGRAPH.						
Revenue Account:						
Revenue	919,335	937,743	959,096	993,800	1,008,700	1,035,800
Expenditure	643,550	673,039	684,782	752,500	740,200	769,900
Net	+275,785	+264,704	+274,314	+241,300	+268,500	+265,900
Capital Expenditure	195,170	202,034	217,351	167,100	81,000	171,100
MINT.						
Revenue	210,046	310,335	227,355	67,700	32,500	57,700
Expenditure	97,109	112,007	91,080	68,100	52,400	53,800
Net	+112,937	+198,328	+136,275	—400	—19,900	+3,900

180. The Post Office net revenue continues to increase; the Budget for 1894-95 provided for a net charge, but it is now expected that there will be a small net revenue, which is raised a little in the Budget for 1895-96.

181. The Telegraph net revenue, excluding Capital Expenditure, shows an improvement of Rx. 27,200 in 1894-95; this is mainly due to the message traffic having exceeded expectation, and to a reduction of the Establishment charges.

The Budget for 1895-96 provides for an increase in the receipts, and for a return to the higher scale of charges provided in 1894-95. The net revenue is thus somewhat larger than that estimated in 1894-95, though it falls below the Revised Estimate. The Capital Expenditure has been reduced in the current year, owing to the measures taken to secure financial equilibrium by enforcing economy in optional expenditure. This expenditure is raised in the Budget to allow of a larger development of the telegraph lines which has been checked in the current year.

182. The Mints being now closed to the coinage of silver for the public, the only revenue of importance in the current year is the gain on copper coinage. The decreased revenue expected in the Revised is due to a smaller amount of copper coin having passed into circulation than was anticipated. The Budget for next year is based on a smaller issue of copper coins than that on which the Budget for the current year was based, though a small improvement over the Revised is taken, and it also provides for the revenue (Rx. 11,300) which will accrue from the projected coinage at Bombay of a British dollar for use in Eastern Trade. The arrangements for this coinage are now complete; the dies are expected to arrive shortly, and on their receipt the Mint is prepared to commence operations as soon as silver is tendered for coinage.

CIVIL DEPARTMENTS.

	Accounts, 1891-92.	Accounts, 1892-93.	Accounts, 1893-94.	1894-95. Budget.	1894-95. Revised.	1895-96, Budget.
General Administration:						
India - - - Rx.	1,433,423	1,462,538	1,519,132	1,546,000	1,581,000	1,570,900
England - - - £.	249,532	255,545	265,812	252,900	274,600	251,000
Exchange - - Rx.	108,362	153,742	172,742	180,600	228,800	209,900
Law and Justice:						
Courts - - - Rx.	2,840,007	2,877,112	2,996,460	3,043,900	3,009,200	3,128,500
Jails - - - Rx.	899,732	918,060	924,053	960,000	914,900	957,700
Police - - - - Rx.	3,868,610	3,873,645	3,919,785	4,043,000	3,980,600	4,097,100
Marine:						
Imperial (*a*) - - Rx.	470,219	703,088	595,675	547,600	553,700	611,400
Provincial - - Rx.	157,732	154,021	158,581	150,400	141,300	156,500
Education - - - Rx.	1,424,796	1,437,024	1,471,761	1,545,300	1,495,900	1,587,300
Ecclesiastical - - - Rx.	161,596	168,107	176,602	186,700	185,200	195,400
Medical - - - - Rx.	884,684	941,642	979,122	1,005,600	1,001,300	1,044,600
Political - - - Rx.	767,711	842,117	965,828	984,400	966,500	1,057,000
Scientific and Minor Departments - - - Rx.	587,438	473,271	492,287	512,800	509,400	511,300
TOTAL - - - Rx.	13,853,842	14,259,912	14,637,840	14,959,200	14,902,400	15,379,500

(*a*) Includes Upper Burma charges.

183. The tendency of the expenditure under these heads is to increase with the growing demands for improved administration. The growth of expenditure is not, however, great or rapid under any individual head. The only points requiring notice are that the falling rate of exchange has enhanced the charge for exchange compensation allowance under all the heads; that absolutely necessary police re-organisation has increased the charges under police in several provinces; and that under general administration the expenditure, both in India and in England, is swelled this year by the inclusion of the amounts paid to the Presidency Banks and the Bank of England for the work done in connection with the conversion of the Rupee Debt (*see* paragraph 110).

MISCELLANEOUS CIVIL CHARGES.

	Accounts, 1891-92.	Accounts, 1892-93.	Accounts, 1893-94.	1894-95. Budget.	1894-95. Revised.	1895-96, Budget.
Territorial and Political Pensions - - - Rx.	557,959	541,592	508,443	485,000	473,100	474,400
Civil Furlough and Absentee Allowances:						
India - - - Rx.	657	1,335	1,548	1,000	1,800	1,000
England - - - £.	192,228	207,826	197,521	208,000	223,000	218,000
Exchange - - Rx.	83,477	125,033	128,362	148,600	185,800	181,700
Superannuation Allowances and Pensions:						
India - - - - Rx.	848,506	881,190	910,547	933,900	949,200	962,600
England - - - £.	1,726,046	1,810,546	1,784,051	1,779,500	1,797,300	1,812,500
Exchange - - Rx.	749,557	1,089,270	1,159,393	1,271,100	1,497,800	1,510,400
Stationery and Printing - Rx.	602,885	647,973	683,181	679,800	696,300	697,500
Miscellaneous - - - Rx.	285,307	233,075	273,831	247,100	273,400	245,600
TOTAL - - - Rx.	5,046,622	5,537,840	5,646,877	5,754,000	6,097,700	6,103,700

184. The

184. The main increase under the heads in this group occurs in the charge for exchange on furlough allowances and pensions, which, if paid in England, are fixed either in sterling or in rupees convertible into sterling at a fixed rate. Independently of exchange, however, the tendency of the charges under this group is to rise slightly, pensions and furlough allowances with the increasing establishments, and stationery and printing with the increasing amount and complexity of public business. The first head is an exception, since territorial and political pensions gradually diminish as the older pensioners die out. Under miscellaneous the increase is in the English charges and exchange, principally owing to a larger supply of stores for Miscellaneous Departments.

Famine Relief and Insurance.

	Accounts, 1891-92.	Accounts, 1892-93.	Accounts, 1893-94.	1894-95. Budget.	1894-95. Revised.	1895-96, Budget.
	Rx.	Rx.	Rx.	Rx.	Rx.	Rx.
Famine Relief - - - -	23,423	70,841	496	10,000	9,100	5,000
Construction of Protective Railways - - - - -	484,795	984,469	1,060,954	-	-	-
Construction of Protective Irrigation Works - - -	77,931	60,793	56,351	45,000	42,400	50,000
Reduction of Debt - - -	682,170	-	-	-	-	-
Total - - -	1,268,319	1,116,103	1,117,801	55,000	51,500	55,000
Net Charge on account of the Bengal-Nagpur and the Indian Midland Railways shown in the Railway Revenue Account	231,681	383,897	371,768	368,800	392,400	366,800
Total Expenditure Chargeable to the Famine Grant - -	1,500,000	1,500,000	1,489,569	423,800	443,900	421,800

185. The direct expenditure on famine relief has occurred mainly in the Central Provinces (Rx. 5,600) and Bengal (Rx. 3,000), and in the latter province alone is provision made for such expenditure in the Budget.

186. As explained in last year's Financial Statement, financial exigencies necessitated in 1894-95 the cessation of the expenditure on railways, and the curtailment of the expenditure on irrigation works from the famine grant. The position remains unchanged, and in the Budget of 1895-96 it is possible to provide under this head only for the small expenditure on direct famine relief, and for the renewal of the small grant of Rx. 50,000 for protective irrigation works.

Railway Revenue Account.

	Accounts, 1891-92.	Accounts, 1892-93.	Accounts, 1893-94.	1894-95. Budget.	1894-95. Revised.	1895-96. Budget.
State Railways:—						
Gross Receipts - Rx.	16,411,934	15,814,807	16,879,107	16,939,900	18,134,400	18,001,900
Working Expenses - Rx.	8,214,480	7,944,868	8,263,975	8,401,800	8,813,000	8,697,000
Interest and other Charges—						
India - - - Rx.	3,012,015	3,180,215	3,358,968	3,513,200	3,534,900	3,702,600
England - - - £.	3,539,017	3,578,193	3,589,593	3,584,900	3,584,300	3,585,100
Exchange - - - Rx.	1,536,862	2,152,731	2,332,751	2,560,700	2,986,900	2,987,600
Net Result - - - Rx.	+ 109,560	—1,041,200	—966,180	—1,120,700	— 784,700	— 970,400
Guaranteed Railways:—						
Net Traffic Receipts - Rx.	3,493,118	3,244,413	3,383,812	3,445,500	3,039,000	3,495,000
Surplus Profits, Interest, and other Charges—						
India - - - Rx.	794,087	614,020	607,753	655,200	638,700	620,200
England - - - £.	2,114,159	2,145,297	2,154,720	2,154,500	2,154,600	2,161,300
Exchange - - - Rx.	918,100	1,290,665	1,400,277	1,538,900	1,705,500	1,801,100
Net Result - - - Rx.	—333,228	—805,569	—778,938	—903,100	—1,549,800	—1,087,600
Other Receipts - - Rx.	32,994	17,883	34,054	23,000	38,900	39,900
Other Charges - - Rx.	125,190	18,166	124,439	129,100	121,500	130,100
Statistics:—						
State Railways—						
Capital Expenditure to 31st March:—						
Expenditure by Government - - -	105,423,578	110,202,627	114,277,052	117,781,633	118,907,152	122,616,552
Expenditure by Companies - - - -	22,709,508	23,513,080	24,261,335	25,236,280	24,953,635	25,673,335
Total - - -	128,133,086	133,715,707	138,538,387	143,017,913	143,860,787	148,289,887
Miles open on 1st April -	12,757	13,106	13,461	13,893	13,806	14,166
Guaranteed Railways—						
Miles open on 1st April -	2,588	2,588	2,587	2,587	2,587	2,587

187. The improvement of the State Railway revenue in the current year and the falling-off in the Guaranteed Railway Receipts have already been mentioned (*see* paragraph 102). The basis of the Budget Estimate for 1895-96 has also been explained (*see* paragraph 141). The Railway Revenue on the whole shows steady and almost continuous progress from year to year; the estimates are made on the usual cautious basis, and, though it is not safe to estimate in the case of each individual railway for a recurrence of the high receipts of this year, it is not unlikely, unless the seasons are unfavourable, that the results for 1895-96 will be considerably in excess of the Budget now framed.

IRRIGATION.

IRRIGATION.	Accounts, 1891-92.	Accounts, 1892-93.	Accounts, 1893-94.	1894-95.		1895-96, Budget.
				Budget.	Revised.	
MAJOR WORKS.	Rx.	Rx.	Rx.	Rx.	Rx.	Rx.
Revenue:						
Direct Receipts - - -	1,404,737	1,510,730	1,349,685	1,391,600	1,356,300	1,350,300
Land Revenue - - -	673,189	722,306	746,926	868,500	879,400	929,700
Expenditure:						
Working Expenses - -	761,445	793,951	788,957	769,200	814,000	813,200
Interest - - - - -	1,109,678	1,138,386	1,165,558	1,193,500	1,193,800	1,222,400
Net - - -	+ 206,803	+ 300,699	+ 142,096	+ 297,400	+ 227,900	+ 244,400
MINOR WORKS.						
Receipts—Direct - -	194,114	185,866	199,798	203,700	199,900	204,300
Expenditure - - -	1,073,896	1,008,142	908,052	946,700	974,000	1,014,900
STATISTICS OF MAJOR WORKS.						
Capital Outlay to 31st March	28,320,703	28,923,097	29,679,280	30,308,898	30,336,480	31,106,480

188. Under Major Works Direct Receipts the Revised shows a falling-off of Rx. 35,300, which is due to a reduction of Rx. 35,200 in the Punjab, mainly the result of the rainfall on lands traversed by the Sirhind Canal having reduced the demand for canal water. In Bengal there is a small reduction of Rx. 4,000, the collections on the Midnapur and Orissa Canals having fallen off. In the North-Western Provinces, on the other hand, there is a small increase of Rx. 3,700, the Budget Estimate having been over-cautious. The falling-off in the Budget for 1895–96 has already been explained in paragraph 130.

189. The increase in the Revised in Working Expenses occurs mainly in the Punjab (Rx. 27,000) on the Western Jamna, Bari Doab, and Chenab Canals, and in Bombay (Rx. 18,200) on the Desert Canal, Eastern Nara Works, and Mahaswad Tank. The excess expenditure was for urgent works, and was specially sanctioned by the Government of India.

190. Under Minor Works Receipts the falling off in the Revised occurs mainly in Imperial, and is due to a falling off in Baluchistan and the Punjab. The Budget for next year in the Punjab, however, provides for an even higher revenue than the Budget of the current year, owing mainly to the extension and development of irrigation from the Shahpur Canals.

The expenditure on these Minor Works has been increased in the Revised, mainly owing to special sanctions of Rx. 26,900 for repairs to embankments damaged by floods in Sind, and of Rx. 6,700 for certain urgent works in connection with the Muzaffargarh embankment and for the completion of the new Sahiwal Canal in the Punjab.

191. The irrigation revenue is expected in 1895–96 to exceed the Revised Estimate of 1894–95 by Rx. 48,700. This amount is distributed between Imperial

Imperial on the one hand and Provincial and Local on the other in the table below :—

	Imperial.	Provincial and Local.	Total.
Direct Receipts—	Rx.	Rx.	Rx.
Major Works	81,100	—87,100	—6,000
Minor Works	4,300	100	4,400
Share of Land Revenue—			
Major Works	50,300	—	50,300
Total	135,700	—87,000	48,700

192. The principal increase in the Budget of 1895-96, as compared with the Revised Estimate of 1894-95, under the share of Land Revenue due to irrigation, occurs in Madras (Rx. 20,600), and is due chiefly to an enhancement of water-rates in the Godavari and Kistna deltas, the recent revision of settlement in the Cauvery delta, and the probable extension of irrigation from the Kistna delta and the Sangam anicut systems and the Rushkulya project. There are also increases of Rx. 9,800 in the Punjab, chiefly in anticipation of increased credits to the Chenab Canal, and of Rx. 19,900 in Bombay, due partly to the anticipation of a return to normal revenue and partly to the growth of irrigation on the Eastern Nara project.

193. The financial results obtained during 1892-93 and 1893-94 from Irrigation Works for which capital and revenue accounts are kept are given below :—

	1892-93.	1893-94.
Major Works:	Rx.	Rx.
Capital Outlay—		
Direct and Indirect, During the year	614,290	780,660
Direct and Indirect, To end of year	30,250,620	31,031,280
Revenue Account—		
Gross Revenue	2,268,054	2,130,271
Maintenance and Working	880,694	875,620
Net Revenue	1,387,360	1,254,651
Interest	1,138,382	1,165,554
Net Profit	248,978	89,097
Percentage of net Revenue of the year on the Capital Outlay to end of the year	4·59	4·04
Minor Works:		
Capital Outlay—		
Direct and Indirect, During the year	99,452	85,512
Direct and Indirect, To end of year	4,736,103	4,821,615
Revenue Account—		
Gross Revenue	481,567	560,806
Maintenance and Working	252,643	228,781
Net Revenue	228,924	332,025
Percentage of net Revenue of the year on the Capital Outlay to end of the year	4·83	6·89

The figures in this Table are taken from the administrative accounts. On Minor Works interest on the Capital Outlay is not charged, as the Capital expenditure is incurred from Revenue.

BUILDINGS AND ROADS.

	Accounts, 1891-92.	Accounts, 1892-93.	Accounts, 1893-94.	1894-95. Budget.	1894-95. Revised.	1895-96. Budget.
MILITARY WORKS:	Rx.	Rx.	Rx.	Rx.	Rx.	Rx.
In Upper Burma - -	152,182	169,437	150,448	100,000	97,500	91,800
Elsewhere - - -	1,062,336	1,027,362	1,030,160	906,800	911,000	1,074,500
Deduct receipts - -	49,794	45,274	45,894	46,800	56,800	45,800
Net - - -	1,164,724	1,151,525	1,134,714	960,000	951,700	1,120,500
CIVIL WORKS:						
Imperial—						
Expenditure - - -	881,358	772,731	836,288	661,100	652,700	796,300
Receipts - - - -	50,807	56,438	59,254	55,800	61,300	62,300
Provincial—						
Expenditure - - -	2,461,115	2,162,357	2,116,812	2,026,000	1,999,600	2,077,000
Receipts - - - -	271,319	285,329	292,660	266,200	290,200	275,800
Local—						
Expenditure - - -	1,651,761	1,714,593	1,677,144	1,795,200	1,691,700	1,777,400
Receipts - - - -	255,204	266,147	276,546	260,400	273,500	268,500

194. The principal variations under this head occur in the Imperial expenditure, which was, owing to financial exigencies, largely reduced last year both under Military and Civil Works. Larger grants have been made for 1895-96 as explained in paragraphs 153 and 154, but the Imperial expenditure is still considerably below the level of 1893–94. The estimates for the two years 1894–95 and 1895–96 for Provincial and Local Expenditure vary but slightly on the whole, though in the various Provinces considerable differences occur.

195. Full details of the proposed appropriation of the outlay provided for in the Provincial Civil Works Estimates are not available at present, but the distribution of the expenditure in the past two years and in the Budget Estimate of the current year is given below :—

	Accounts, 1892–93.	Accounts, 1893-94.	Budget, 1894-95.
	Rx.	Rx.	Rx.
Erection of new buildings - - - -	631,276	621,016	499,549
Construction of roads - - - -	230,421	214,447	149,566
Works of public improvement - - -	93,331	45,264	57,793
Repairs of buildings - - - - -	167,192	181,792	179,025
Repairs of roads - - - - -	461,645	489,511	464,008
Repairs of works of public improvement -	27,085	29,294	26,980
Reserve - - - - - - -	—	—	15,280
Establishment - - - - - -	482,943	496,503	545,479
Tools and plant - - - - -	42,106	26,039	36,152
Suspense - - - - - - -	—2,804	—12,162	24,000
Miscellaneous expenditure by Civil officers in charge of Public Works - - -	29,162	25,118	28,168
TOTAL - - -	2,162,357	2,116,812	2,026,000

Army Services.

	Accounts, 1891-92.	Accounts, 1892-93.	Accounts, 1893-94.	1894-95. Budget.	1894-95. Revised.	1895-96, Budget.
Effective Services.						
Regimental Pay and Allowances:						
India - - - Rx.	7,081,464	7,227,119	7,889,626	7,864,500	8,298,800	8,604,500
England - - - £.	1,018,679	1,327,172	1,070,454	1,118,000	1,097,200	1,100,000
Exchange - - - Rx.	442,374	798,460	695,651	798,600	914,300	916,700
Total - - Rx.	8,542,517	9,452,751	9,655,731	9,781,100	10,310,300	10,621,200
Less—Receipts - - Rx.	16,586	14,155	12,018	12,300	8,600	7,900
Net - - Rx.	8,525,931	9,438,596	9,643,713	9,768,800	10,301,700	10,613,300
Commissariat:						
India - - - Rx.	3,681,012	3,664,059	3,402,755	3,585,000	3,080,200	3,392,000
England - - - £.	47,266	42,567	30,864	22,100	22,100	19,700
Exchange - - - Rx.	20,526	25,610	20,057	15,800	18,400	16,400
Total - - Rx.	3,748,804	3,732,236	3,459,676	3,622,900	3,120,700	3,429,000
Less—Receipts - - Rx.	373,355	412,173	443,707	432,000	450,700	456,800
Net - - Rx.	3,375,449	3,320,063	3,009,969	3,190,900	2,670,000	2,972,200
Ordnance:						
India - - - Rx.	724,316	790,195	830,074	912,200	836,500	906,300
England - - - £.	841,464	593,772	557,264	448,500	405,700	419,000
Exchange - - - Rx.	365,416	357,228	362,147	320,400	338,100	349,200
Total - - Rx.	1,931,196	1,741,195	1,749,485	1,681,100	1,580,300	1,674,500
Less—Receipts - - Rx.	108,683	114,658	104,350	94,100	176,400	94,800
Net - - Rx.	1,822,513	1,626,537	1,645,135	1,587,000	1,403,900	1,579,700
Other Heads:						
Expenditure - - Rx.	4,034,978	3,736,616	3,743,641	3,722,000	3,985,500	4,265,900
Receipts - - - Rx.	205,578	243,463	199,801	183,800	258,100	189,900
Net - - Rx.	3,829,400	3,493,153	3,543,840	3,538,200	3,727,400	4,076,000
Non-effective Services:						
India - - - Rx.	940,775	931,156	938,666	923,200	919,700	922,400
England - - - £.	2,149,070	2,388,297	2,250,122	2,350,500	2,300,600	2,334,600
Exchange - - - Rx.	933,261	1,436,860	1,462,276	1,678,900	1,917,200	1,945,500
Total - - Rx.	4,023,106	4,756,313	4,651,064	4,952,600	5,137,500	5,202,500
Less—Receipts - - Rx.	76,202	79,871	90,350	87,500	100,800	102,200
Net - - Rx.	3,946,904	4,676,442	4,560,714	4,865,100	5,036,700	5,100,300
Grand Total:						
India - - - Rx.	15,741,062	15,589,091	15,964,836	16,169,200	16,118,600	17,070,500
England - - - £.	4,559,513	4,888,796	4,417,792	4,427,800	4,372,200	4,430,500
Exchange - - - Rx.	1,980,026	2,941,224	2,870,969	3,162,700	3,643,500	3,692,100
Total - - Rx.	22,280,601	23,419,111	23,253,597	23,759,700	24,134,300	25,193,100
Less—Receipts - - Rx.	780,404	864,320	850,226	809,700	994,600	851,600
Net - - Rx.	21,500,197	22,554,791	22,403,371	22,950,000	23,139,700	24,341,500

196. The general course of the Army Expenditure in India in 1894–95 and 1895–96 has been dealt with in paragraphs 120 and 155 of this statement, and it is necessary here only to make a few remarks in explanation of the detailed variations under the sub-heads entered in the preceding table.

197. Under Regimental Pay and Allowances the Revised shows in the Indian Expenditure an increase of Rx. 434,300. This is chiefly accounted for by the increased charge of Rx. 357,800 for exchange on the British soldiers' pay (see paragraph 120); the British Cavalry and Infantry have also been in excess of strength, which accounts for about Rx. 35,000 more of the increased charge, and a large proportion of the extra charge of Rx. 52,800 for exchange compensation allowance falls under this sub-head.

The Budget Estimate exceeds the Revised under this grant by Rx. 305,700, of which Rx. 180,000 is due to the provision for increasing the Native Sepoys' pay, while Rx. 22,100 for British soldiers' pay and Rx. 54,300 for exchange compensation allowance are due to the further drop in exchange.

198. Under Commissariat Charges in India the Revised shows the large saving of Rx. 504,800. There have been some small savings under Establishments, but the bulk of the saving under this head is due to the prevailing low price of food grains and other supplies which have affected both the cost of rations for men and food for animals and the payments of compensation in respect of dearness of such rations and food. The Budget for 1895–96 shows an increase of Rx. 312,700 over the Revised, as it is not considered safe to assume that the present low prices will continue throughout the year. There is a saving, however, of Rx. 192,100 as compared with the Budget of 1894–95, which is chiefly due to the present estimate being based upon lower prices than that of 1894-95.

199. Under Ordnance there is a considerable saving in the Revised of Rx. 75,700; the amounts required for local purchase of stores appear to have been over-estimated, partly owing to the favourable rates prevailing during the year. There is also a saving of Rx. 16,500 in the cost of manufacturing establishments, which is in part due to the introduction of a new system of paying them, whereby their pay for February will be disbursed in April instead of March. The Budget provides for a repetition generally of last year's estimates. The Receipts under this head have risen owing to specially large issues of Stores.

200. Under "Other Heads" the only charge meriting notice is that for the Waziri Expedition and Demarcation Commission, which amounts to Rx. 202,500 in 1894–95 and Rx. 107,400 in 1895–96. The Budget for 1895–96 also provides for Rx. 150,000 for special warlike preparations in connection with the disturbances in Chitral.

201. In the Sterling Expenditure the main differences between the Budget and Revised for 1894-95 have been explained above (paragraph 121).

Special Defence Works.

202. The following table shows the expenditure on "Special Defence Works":—

	Rx.
To end of 1886–87	150,409
1886–87	325,626
1887–88	456,017
1888–89	789,595
1889–90	689,481
1890–91	491,837
1891–92	604,848
1892 93	458,060
1893–94	324,974
1894–95, Budget Estimate Rx. 152,300; Revised Estimate	184,600
1895–96, Budget Estimate	154,700
	4,630,147

203. The expenditure in 1894-95 is expected, apart from exchange, to amount to about the figure estimated in the Budget for that year. The Budget for 1895-96 differs but little from that for the current year.

204. The total expenditure on Special Defence Works being estimated at Rx. 5,030,000, there will remain for expenditure in future years Rx. 399,853, on the assumption that the amounts provided in the Estimates of 1894-95 and 1895-96 are spent.

SECTION V.—CAPITAL EXPENDITURE ON PUBLIC WORKS NOT CHARGED AGAINST REVENUE.

205. Financial necessities having required the temporary suspension of the Famine Grant, the amount provided for Capital Expenditure on Railways and Irrigation Works in the Budget of 1894-95 was restricted to Rx. 4,000,000, made up of the ordinary grant of Rx. 3,500,000 and the special grant of Rx. 500,000 sanctioned by the Secretary of State to enable companies to undertake new lines of railway and extensions. In the course of the year, however, the Government of India came to the conclusion that they could profitably apply to railway construction some portion of the excess balances which had accumulated in their treasuries in consequence of the failure of the Secretary of State's drawings in the previous year, and, while fully alive to the necessity of doing nothing which would defeat the measures taken in connection with the currency, they thought that a moderate additional amount might be expended from the balances without endangering the success of their currency policy. They accordingly drew up a programme which provided for the expenditure during 1894-95 and the two succeeding years of a total sum of Rx. 14,000,000 to be expended from State funds on construction of railways and canals, to be increased by any amount that might be available from the Famine Grant during the two later years. This total sum of 14 crores was distributed between the three years in the following manner: —

	Rx.
1894-95	5,200,000
1895-96	4,400,000
1896-97	4,400,000
	14,000,000

and the amounts in the two later years were to be increased by any amount available from the Famine Grant up to Rx. 1,000,000 a year.

206. The Revised Estimate for 1894-95 accordingly provides for an expenditure of Rx. 5,200,000, distributed as follows:—

	Rx.
Railways	4,610,000
Irrigation Works	590,000
	5,200,000

and, the Famine Grant being still held in abeyance, the Budget Estimate for 1895-96 provides for an expenditure of Rx. 4,400,000, which is distributed as follows:—

	Rx.
Railways	3,700,000
Irrigation Works	700,000
TOTAL	4,400,000

48.—STATE RAILWAYS—CONSTRUCTION.

207. The Budget grant for 1893–94 amounted to Rx. 3,854,300 as under:—

	Rx.
Normal amount provided under "Not charged to Revenue" -	3,500,000
Deduct,—	
Provision for Irrigation Works - - - - - - - -	750,000
Leaving for Railways - - -	2,750,000
Add,—	
For Bareilly-Rampur-Moradabad Railway - - - - - -	50,000
Total provided under 48 -	2,800,000
Provided under 34 -	1,054,300
	3,854,300

208. The Revised Estimate provided for a total expenditure of Rx. 4,027,400 as under:—

	Rx.
48—State Railways—Construction - - - - - -	2,947,700
34—Construction of Protective Railways - - - - -	1,079,700
TOTAL - - -	4,027,400

against which the actual expenditure incurred amounted to Rx. 4,000,522, thus falling short of the Revised Estimate by Rx. 26,878, and exceeding the Budget provision by Rx. 146,222. Of moneys placed at his disposal up to the 30th November 1893 (date of despatch of indents from India), the Secretary of State was unable to spend 223,229*l.*, which, with exchange and charges upon it, amounted to Rx. 371,981.

209. The amounts provided for Railway Construction in the Estimates are, as explained above, Revised Estimate 1894–95 Rx. 4,610,000, and Budget Estimate 1895–96 Rx. 3,700,000, the distribution of which is as follows:—

	Revised, 1894–95.	Budget, 1895–96.
EXPENDITURE BY STATE AGENCY.	Rx.	Rx.
Open Lines:		
North-Western - - - - - - - -	204,700	80,000
Oudh and Rohilkhand, including Lucknow-Rai Bareli	89,800	150,000
Eastern Bengal - - - - - - - -	64,500	120,000
Burma - - - - - - - - - -	34,700	—8,900
Warora Colliery - - - - - - - -	43,400	18,400
Umaria Colliery - - - - - - - -	5,200	5,200
Frontier Railway Reserve Material - - - -	1,400	—
Petroleum Operations, Baluchistan - - - -	—200	—
Nagpur-Chhitisgarh Depreciation Account - -	2,800	—
TOTAL - - -	436,800	364,700
Lines under Construction:		
East Coast - - - - - - - - -	768,000	500,000
Mu Valley - - - - - - - - -	304,600	120,000
Bareilly-Rampur-Moradabad - - - - -	86,200	—
North-Western Railway—Gradient Improvement Works - - - - - - - -	109,300	26,100
Mari-Attock - - - - - - - - -	80,000	150,000
Mushkaf-Bolan - - - - - - - -	622,000	351,400
Karachi-Kotri (doubling line) - - - -	- -	103,400
Kotri-Rohri - - - - - - - - -	247,000	500,000
Wazirabad Lyallpur - - - - - - -	50,000	170,000
Cawnpore-Lucknow-Gogra (Linking-up scheme) -	105,300	140,000
TOTAL - - -	2,372,400	2,008,700
TOTAL STATE AGENCY - - -	2,809,200	2,373,400

	Revised, 1894-95.	Budget, 1895-96.
EXPENDITURE BY AGENCY OF COMPANIES.	Rx.	Rx.
Open Lines:		
East Indian, including Jherria Extension	354,100	310,000
Rajputana-Malwa System, including Palanpur-Deesa	160,000	70,000
Tirhoot	50,500	70,000
Bhopal	14,000	7,500
Wardha Coal	—	10,500
Dhond and Manmad	5,100	28,600
South Indian	20,000	85,000
Guntakal-Mysore Frontier	1,000	5,000
Bezvada Extension	500	—
TOTAL	605,200	586,600
Lines under Construction:		
Godhra-Rutlam	193,400	35,000
Assam-Bengal (Land)	127,500	195,000
Assam-Bengal (Construction)	733,900	305,000
Rutlam Ujjain	30,000	240,000
Bezvada-Madras (Madras-Ennore Section)	17,000	30,000
TOTAL	1,101,800	805,000
TOTAL COMPANIES' AGENCY	1,707,000	1,391,600
TOTAL ALLOTMENTS	4,516,200	3,765,000
Add or *deduct*,—Reserve or over-allotments	83,200	—200,000
GRANT AVAILABLE	4,599,400	3,565,000
Add,—Increase in stores balance	10,600	—
Add,—Indents thrown forward to 1895-96	—	135,000
TOTAL GRANT	4,610,000	3,700,000

49.—IRRIGATION—CONSTRUCTION.

210. The figures of Accounts and Estimates for Capital Expenditure on Irrigation Works not charged to Revenue are :—

Accounts, 1891-92.	Accounts, 1892-93.	Accounts, 1893-94.	1894-95.		Budget, 1895-96.
			Budget.	Revised.	
Rx.	Rx.	Rx.	Rx.	Rx.	Rx.
729,664	531,091	681,684	550,000	590,000	700,000

The difference of Rx. 40,000 between the Budget and Revised has been transferred from the extra grant made for Railways in the course of the year. The Budget grant provides for increased allotments, chiefly for Bombay.

SECTION VI.—CONVERSION of FOUR per CENT. RUPEE DEBT.

211. The 4 per Cent. Rupee Debt of the Government of India, dischargeable at three months' notice, was at the beginning of 1894-95 distributed over eight different loans, all of which were held on practically the same terms, the only difference being in the half-yearly dates for payment of interest. The outstanding balances of these loans on the 30th June 1894, distributed between England and India, are shown in the following statement:—

	India.	England.	TOTAL.
	Rx.	Rx.	Rx.
1. Loan of 1832-33	513,600	103,600	617,200
2. Loan of 1835-36	1,360,300	199,400	1,559,700
3. Loan of 1842-43	24,401,600	2,914,800	27,316,400
4. Loan of 1854-55	7,942,300	*16,506,000	24,448,300
5. Transfer Loan of 1st May 1865	32,015,900	3,519,800	35,535,700
6. Reduced Loan of 16th January 1879	3,840,100	1,776,700	5,616,800
7. Mysore Family Loan	50,000	- -	50,000
8. East Indian Railway Commuted Stock	5,400	- -	5,400
TOTAL. Rx.	70,129,200	25,020,300	95,149,500

* Includes Rx. 1,598,900 Coupon loan held on the Indian Register.

Of the amount held in India of the loan of 1842-43, stock to the value of Rx. 8,159,500 formed the investment of the Paper Currency Reserve, and was thus under the control of Government. The outstanding balance of that loan in the hands of the public in India and England was thus Rx. 19,156,900.

212. On the date mentioned above three Notifications issued with the object of initiating measures for the conversion of these loans from 4 per cent. to 3½ per cent. debt. The first Notification (No. 3257), gave formal notice of the discharge of the loan of 1842-43 on 1st November 1894; but it also conveyed to holders the offer of an option, to be exercised on or before the 28th July, of transferring their holdings to a new 3½ per cent. loan bearing the same title and subject to the same conditions as the existing loan, save only that it would be guaranteed against discharge before 1st August 1904. If this offer was accepted, the reduction of interest was to take effect only from the 1st August 1895, but the transfer was to be effected at once, the difference of interest up to that date being paid in anticipation. To facilitate the conversion proceedings, new notes were not at once issued, but the old notes were to be enfaced with a memorandum of the reduction of interest to 3½ per cent. and of the guarantee against discharge before 1st August 1904. The second Notification (No. 3258) offered the same option, though not under notice of discharge, to the holders of notes in the loans of 1854-55 and 1st May 1865 and in the Reduced loan of 1879; while a third Notification (No. 3259), prohibited transfers from one 4 per cent. loan to another, but offered the same choice of conversion to holders of notes in the loans of 1832-33 and 1835-36, subject to the condition that the notes were transferred to the 3½ per cent. loan of 1st May 1865.

213. The Notifications were published simultaneously in England, and notes tendered for conversion were received by the Bank of England and disposed of there. In India notes were accepted for conversion at all Public Debt Offices and Treasuries, and there was, therefore, some inevitable delay in ascertaining, even approximately, the amounts tendered for conversion.

214. The result of this first stage of the operations was that, of the 1842-43 loan, Rx. 23,421,200 in India and Rx. 2,558,700 in England, total Rx. 25,979,900, were

were converted, while the optional conversions of the other loans were ascertained on the 10th August to have amounted to about 1,400 lakhs. It is not possible to give the exact amount of these latter loans converted under the Notifications of June 30th, because, as will be seen later, the offer in their case was renewed on precisely the same terms, and it has not been practicable to maintain separate accounts of the amounts coming in under the earlier and under the later offer.

215. The information in the possession of Government in the beginning of August, both in respect of the compulsory and optional conversions, thus seemed to justify further proceedings. And accordingly, as the second step in the conversion, two Notifications were issued on the 13th August. The first (No. 4092) notified for discharge on 1st December 1894 the Calcutta portion of the loan of 1st May 1865; but offered the same terms of conversion as before, save that the reduction in the rate of interest took effect from 1st February 1895 instead of 1st of August, the terms now offered being thus $\frac{1}{4}$ per cent. worse than those originally put forward. This offer, however, remained practically inoperative till after the 27th August, for simultaneously a second Notification (No. 4093) was issued, renewing absolutely, as regards all loans except that of 1842–43, the offer made on June 30th. These Notifications were immediately followed on 18th August by a Notification (No. 4165) notifying for discharge on 1st December the two small loans numbered 7 and 8 in the list in paragraph 211. They were offered the same terms as the holders of the Calcutta portion of the loan of 1st May 1865, on condition of transferring their holdings to that loan.

216. The amounts converted on the terms offered on June 30th under both the original offer and the offers mentioned in the preceding paragraph are as follows:

	India.	England.	Total.
	Rx.	Rx.	Rx.
Loan of 1832–33	114,400	60,100	174,500
Ditto 1835–36	455,100	106,300	561,400
Ditto 1842–43	23,421,200	2,558,700	25,979,900
Ditto 1854–55	4,192,300	7,869,400	12,061,700
Ditto 1865	27,329,900	2,206,800	29,536,700
Ditto 1879	1,825,800	905,200	2,731,000
Mysore Loan and East Indian Railway Stock	55,200	—	55,200
Total	57,393,900	13,706,500	71,100,400

217. The second offer still remained open for the Calcutta portion of the 1865 loan till 15th September, and under it Rx. 593,600 more were tendered. But, in the meantime, the satisfactory result, as far as the optional conversions of the other loans were concerned, led us to take the third step in the conversion, which was to notify on 1st September (No. 4426) for discharge on 31st December the unconverted balance of the 4 per cent. loan of 1854–55, with an option of conversion as before. The terms, however, were still less favourable, the reduction of interest taking effect from 31st December 1894 if the notes were tendered on or before the 17th September, and from June 30th if they were tendered after that date, but on or before 3rd October. It was immediately followed on the 3rd September by two Notifications (Nos. 4460 and 4461), which offered to the holders of the unconverted portions of the other 4 per cent. loans, up to 17th September, conversion on the same terms as were admissible up to the same date to holders of notes of the loan of 1854–55. The paper of the two small loans of 1832–33 and 1835–36 was, as before, convertible only by transfer to the $3\frac{1}{2}$ per cent. loan of 1865.

 218. These

218. These Notifications brought in almost the whole balance of the 1854–55 loan and very considerable amounts of the other loans, the figures being as follows :—

	India.	England.	Total.
	Rx.	Rx.	Rx.
1832–33	332,000	14,800	346,800
1835–36	344,500	14,400	358,900
1854–55 :			
Before 17th September	3,901,400	7,027,700	11,056,500
After 17th September	127,400		
1865	2,575,500	477,700	3,053,200
1879	1,640,600	301,700	1,942,300
Total	8,921,400	7,836,300	16,757,700

219. The final step in the conversion proceedings was taken by the issue on 20th September of two Notifications (Nos. 4770 and 4771) notifying for discharge on December 31st all balances of the 4 per cent. loans which had not already been made liable to discharge by any of the previous Notifications, and offering conversion till 3rd October on the terms which were still open to holders of the 1854–55 loan, the two small loans being treated specially as before.

220. Under these Notifications the following amounts came in:—

	India.	England.	Total.
	Rx.	Rx.	Rx.
1832–33	15,400	17,800	33,200
1835–36	33,000	12,200	45,200
1865	445,400	483,600	929,000
1879	160,000	398,800	558,800
Total	653,800	912,400	1,566,200

221. The original balances, the total amount converted into the guaranteed $3\frac{1}{2}$ per cent. loans, and the unconverted balance outstanding for each loan in India and in England after the operations already mentioned were completed, are shown below :—

	Original Balance as in Para. 211.	Amount Converted.			Total Outstanding Balance.
		India.	England.	Total.	
	Rx.	Rx.	Rx.	Rx.	Rx.
Loan of 1832–33	617,200	461,800	92,700	554,500	62,700
Ditto 1835–36	1,559,700	832,600	132,900	965,500	594,200
Ditto 1842–43	27,316,400	23,421,200	2,558,700	25,979,900	1,336,500
Ditto 1854–55	24,448,300	8,221,100	14,897,100	23,118,200	1,330,100
Ditto 1865	35,535,700	30,944,400	3,168,100	34,112,500	1,423,200
Ditto 1879	5,616,800	3,626,400	1,605,700	5,232,100	384,700
Mysore Railway Loan and East Indian Railway Stock	55,400	55,200	—	55,200	200
Total	95,149,500	67,562,700	22,455,200	90,017,900	5,131,600

The

The figures for the loan of 1835-36 include Rx. 362,000 held on account of the Hussainabad Endowment, which will probably yet be converted under the terms originally offered. In the case of some small amounts the actual conversion has been delayed owing to defects which may yet be cured; but the balances shown above, less Rx. 362,000 of the Hussainabad Endowment, may be taken as approximately the balances which have not been converted and will not be converted into guaranteed 3½ per cent. loans.

222. On the 3rd October all these balances were absolutely liable to discharge on some fixed date, either the 1st November, the 1st December, or the 31st December 1894. As an alternative to discharge, and as a supplement to the conversion proceedings, the Government finally on October 8th offered transfer into the unguaranteed loan of 1893-94 on terms differing slightly for each loan, but involving in every case the surrender of accrued interest, and up to 9th March 1895 Rx. 2,007,800 have been converted into 3½ per cent. unguaranteed paper and Rx. 974,300 have been discharged :—

	Converted into Unguaranteed Paper.	Discharged.
	Rx.	Rx.
1832-33	1,700	7,800
1835-36	82,000	5,500
1842-43	786,200	158,200
1854-55	433,800	573,800
1865	533,800	169,800
1879	170,800	64,200
TOTAL	2,007,800	974,300

223. The balance remaining unaccounted for under each loan is as follows ;—

	Rx.
1832-33	53,200
1835-36	144,700
1842-43	397,100
1854-55	322,500
1865	720,100
1879	149,700
TOTAL	1,787,300

It is probable that this balance will come in very slowly, either for discharge or conversion into unguaranteed 3½ per cents.

SECTION VII.—PROVINCIAL FINANCE.

224. The general features of Provincial and Local Finance are indicated in the Table D appended as usual to the Financial Statement.

225. The accounts for 1893-94 closed with Provincial and Local Balances of Rx. 3,695,263, against a Revised Estimate of Rx. 3,527,754, thus showing, as indicated in paragraph 86, a net improvement of Rx. 167,509. The chief difference occurred in Madras, where the Local Balance turned out to be Rx. 73,511 better than estimated, the over-estimate for local Civil Works (*see* paragraph 89) having occurred largely in that Province.

226 In1894-95 there has been a considerable improvement in Provincial and Local expenditure taken as a whole. It was estimated in the Budget that the Provincial and Local deficit, that is, the excess of expenditure which has to be charged against accumulated balances, would amount to Rx. 1,184,400; but, as indicated above (*see* paragraphs 94 and 106), the Revised shows an improvement of Rx. 160,500 in Revenue and of Rx. 369,700 in Expenditure in this branch, and it is now anticipated that the deficit will be reduced to Rx. 654,200. The expenditure from Provincial and Local balances will thus be reduced by Rx. 530,200.

The improvement occurs everywhere except in the North-Western Provinces and Oudh, where the Provincial deficit is increased from Rx. 86,600 to Rx. 149,600, and the Central Provinces, where it is increased from Rx. 57,100 to Rx. 83,700, being mainly due in both cases to suspensions of Land Revenue (*see* paragraph 104), and in Lower Burma where the deficit is increased from Rx. 258,200 to Rx. 283,200. The principal improvements occur in Bengal, Madras, and Bombay, and are as follows :—

Bengal.— Provincial deficit of Rx. 77,000 converted into surplus of Rx.74,900.

Madras.—Provincial deficit of Rx. 64,500 converted into Provincial surplus of Rx. 56,400.

Local deficit reduced from Rx. 256,600 to Rx. 73,900.

Bombay.—Provincial deficit reduced from Rx. 185,100 to Rx. 98,300.

In Bengal the improvement is mainly due to the Provincial share in the increased receipts of the Eastern Bengal Railway (*see* paragraph 102), which gives the Local Government Rx. 430,000, against Rx. 335,000 in the Budget. In Madras the Provincial Revenue and Expenditure show a general improvement, the largest being that of Rx. 37,600 under Land Revenue receipts, while there is also a lapse of Rx. 19,400 in the grant for Civil Works; the local deficit has been reduced, chiefly owing to a similar lapse of Rx. 81,600 (*see* paragraph 119), and Provincial rates also give an improved revenue of Rx. 50,400. In Bombay the expenditure generally shows savings under Civil Departments and Direct Demands upon revenue, the largest savings being under Land Revenue (Rx. 24,900), and Assignments and Compensations (Rx. 27,400).

227. In 1895–96 the Local Governments intend to spend from balances Rx. 623,000, against Rx. 1,184,400 entered in the Budget of 1894–95. Every Local Government, except that of the Central Provinces, proposes to spend a larger or smaller amount from balances, and everywhere except in Bengal and Madras the closing balance of 1895-96 is reduced to a figure not exceeding the prescribed minimum; in the Central Provinces the reduction of the balance below the prescribed minimum has been temporarily allowed for special reasons. The decrease, as compared with the previous year, is due partly to the contributions levied last year having reduced the balances at the disposal of Local Governments; this is especially the case in Lower Burma where the difference between the two years is greatest, the Provincial Deficit in that Province being estimated at Rx. 14,000, against Rx. 258,200 in the Budget of 1894–95.

SECTION VIII.—WAYS AND MEANS.—HOME TREASURY.

228. The following are the usual details of the Home Treasury transactions:—

	Budget, 1894-95.	Revised, 1894-95.	Budget, 1895-96.
Receipts.	£.	£.	£.
Council Bills	17,000,000	17,000,000	17,000,000
Permanent Debt incurred	—	6,000,000	—
Temporary Debt incurred, net	2,300,000	—	—
Capital Receipts from Railway Companies	1,915,000	371,300	3,311,500
Deposits and Advances, net	—800	3,400	—1,300
Add,—Opening Balance	959,988	1,300,564	2,446,164
TOTAL £.	22,174,188	24,675,264	22,756,364
Outgoings.			
Excess of Expenditure over Revenue	15,657,100	15,594,500	15,739,600
Expenditure not charged to Revenue	865,000	823,200	849,600
Permanent Debt discharged—			
India 4 per cent. Stock	—	4,300	—
Temporary Debt discharged, net	—	4,000,000	—
Issues to Railway Companies on Capital Account.	2,826,400	902,000	3,733,700
On account of Remittances from India, net	1,114,200	905,100	757,000
Add,—Closing Balance	1,711,488	2,446,164	1,676,464
TOTAL £.	22,174,188	24,675,264	22,756,364

1894-95. General Summary.

229. In the Budget Estimate of 1894–95 the net disbursement at the Home Treasury was taken at 18,548,500*l*., which was to be met by the sale of Council Bills on India to the amount of 17,000,000*l*. and by temporary loans in England. The amount of drawings remains at the same figure as that shown in the Budget, but there was an improvement in the cash balances on 1st April 1894, of 340,576*l*. as compared with the Budget Estimate, and the net disbursements in the year are now expected to be 17,854,400*l*. The total increase in the closing cash balances of the year due to the above-mentioned variations should be 1,034,676*l*., but the loans proposed in the Budget Estimate having been reduced by 300,000*l*., the closing balance in the Revised is better than the Budget by 734,676*l*. only.

1894–95. Sterling Loans.

230. It was stated in paragraph 186 of the last Financial Statement that the gross amount of temporary loans to be raised in England in 1894–95 by means of India Bills was 8,300,000*l*., of which 6,000,000*l*. were required for the discharge of the outstanding balance of similar loans raised in 1893-94, making the net loan 2,300,000*l*. Owing to an improvement in the cash balances on 1st April 1894 of 340,576*l*., the Secretary of State was able to reduce the net amount of the proposed loans by 300,000*l*., but at the same time 6,000,000*l*. out

of the outstanding temporary loans were funded, and the entries in the Revised Estimates are as follows:—

	£.
INCURRED.	
Permanent Debt—	
India 3 per Cent. Stock issued - - - - -	6,000,000
Temporary Debt—	
Temporary Loans on security of India Bills - -	2,000,000
Ditto ditto East India Bonds	1,000,000
TOTAL INCURRED - - - £.	9,000,000
DISCHARGED.	
Temporary Debt—	
Temporary Loans on security of India Bills - -	6,000,000
Ditto ditto East India Bonds	1,000,000
TOTAL DISCHARGED - - - £.	7,000,000
NET INCURRED - - - £.	2,000,000

1894–95. India Bills.

231. The Temporary Loan of 2,000,000*l.* on the security of India Bills was raised early in May 1894, and has a currency of 12 months. It was issued at an average rate of interest of 1*l.* 18*s.* 6*d.* per cent. per annum.

1894–95. Permanent Debt.

232. The original intention was to borrow the whole of the requirements of the year only on loan for short periods, but the heavy fall in exchange since the publication of the Financial Statement made it inadvisable to adhere to the original intention, and on the 22nd May 1894 an advertisement was issued, inviting tenders for a loan of 6,000,000*l.* India 3 per cent. Stock, which was subscribed on the 29th of that month at an average rate of 99*l.* 18*s.* 3*d.*

233. The Temporary Loans on security of East India Bonds were taken from the Bank of England for short periods and repaid in the course of the year.

1894–95. Capital transactions with Railway Companies.

234. The capital transactions with the Railway Companies vary with the changes in the programmes of the Companies. The Estimates for 1894–95 as now prepared show a reduction in the net issues of 380,700*l.* The following statement gives the details of the transactions:—

	Budget.	Revised.
RECEIPTS.	£.	£.
Subscribed capital—		
(*a*) State Lines - - - - -	1,815,000	67,400
(*b*) Guaranteed Lines - - - -	100,000	300,000
Miscellaneous - - - - - -	—	3,900
TOTAL - - -	1,915,000	371,300
ISSUES.		
For discharge of debentures—		
State Railways - - - - -	1,755,000	—
For Stores, Establishment Charges, &c.—		
State Railways - - - - -	455,600	393,600
Guaranteed Lines - - - - -	615,800	508,400
TOTAL - - -	2,826,400	902,000

It

It was the original intention to replace Bengal-Nagpur and Southern Mahratta Railway debentures to the extent of 1,755,000*l.* by fresh capital, but instead of this the debentures have been renewed. On the other hand, the receipts on account of Capital from the Assam-Bengal and the Bombay Baroda and Central India Railways are now expected to be 7,400*l.* and 200,000*l.* respectively more than the Budget Estimate.

As generally happens, the Estimate of the demands of the Companies for Stores, Establishment Charges, &c., proved too high.

1894-95. Deposits and Advances.

235. In the Budget Estimate it was anticipated that there would be a net payment under the head of Deposits and Advances on account of Defence Works at Aden, but, owing to the recovery from the Imperial Government of arrears of the share of the expenditure on these works, the result is now expected to be a net receipt in the year.

1894-95. Remittances to India.

236. The net reduction of 209,100*l.* in the remittances to India is made up of an increase in the receipts of 42,000*l.* and a decrease in the payments in England of 167,100*l.* The more important items of increase in the receipts are (1), 20,600*l.* on account of the sale-proceeds of securities, &c., received in respect of a portion of the legacy bequeathed by Miss Sarah Bruce towards the foundation and endowment of an Orphanage in or near Calcutta; and (2) 13,900*l.* on account of larger repayments by Her Majesty's Treasury and other Public Departments in respect of advances or services in India. As regards the payments, the Budget provision generally proved too high for (1) payments on account of Indian Money Orders; (2) Family Remittances for payment by the War Office; (3) advances to Railway Companies for purchase of stores; and (4) cost of stores for Provincial Railways.

1895-96. Home Treasury. Ways and Means.

237. The net disbursements at the Home Treasury in 1895-96, excluding Loans and Council Bills, are estimated at 17,769,700*l.*, against 18,548,500*l.* entered in the Budget Estimate of 1894-95. This reduction is due to arrangements having been made for the raising by the Assam-Bengal Railway Company of fresh capital in England to the extent of 500,000*l.*, and to an expected falling-off in the demand for stores chargeable to Native States, Provincial and Local Funds, and to Railway Companies, and in the Money Order and Family Remittances.

It has been explained above that the cash balances in the Home Treasury on 31st March 1895 are now expected to be 734,676*l.* more than the amount estimated in the Budget for 1894-95. If this excess is utilised in 1895-96 to meet a part of the net estimated disbursement of 17,769,700*l.*, it will be necessary to raise only about 17,000,000*l.* by means of Bills on India. Accordingly, it is the present intention of the Secretary of State to draw in 1895-96 17,000,000*l.* by Bills on India.

According to the programme now announced, no additions to the sterling debt will be made in the course of 1895-96, but it is intended to raise a temporary loan of 2,000,000*l.* on the security of India Bills to repay the same amount of Bills raised this year, which falls due on the 12th of May 1895.

It should be understood that, in stating the present intentions of the Secretary of State, no sort of pledge is given that he will adhere to the programme.

INDIA.

Ways and Means in India.

238. The following is a summary of the Estimate of Ways and Means in India :—

	1894-95.		1895-96.
	Budget.	Revised.	Budget.
RECEIPTS.	Rx.	Rx.	Rx.
1. Excess of Revenue in India over the Expenditure charged against it - -	26,538,900	29,580,400	28,902,100
2. Rupee Debt incurred - - - -	—	—	—
3. Increase of the Unfunded Debt, mostly Savings Bank Deposits, net - -	490,500	360,000	522,300
4. Other items, net - - - - -	885,100	612,100	754,300
5. *For Remittance to Secretary of State, net*	*1,107,000*	*902,800*	*754,500*
Add—Opening Balance - -	26,251,756	25,565,588	22,679,488
TOTAL - -	55,273,256	57,020,888	53,612,688
OUTGOINGS.			
6. Excess Expenditure charged to Provincial Balances - - - - - -	1,184,400	654,200	623,300
7. Expenditure not charged to Revenue -	2,517,100	3,690,800	2,842,400
8. Rupee Debt discharged - - - -	151,000	1,200,200	890,100
9. Loans to Municipalities, &c., net - -	491,100	150,100	513,400
10. *Issues on Capital Account to Railway Companies, net* - - - - -	*102,500*	*197,100*	*196,800*
11. Council Bills—*Sterling Amount* - -	17,000,000	15,532,300	17,706,800
12. Ditto Exchange - - -	12,142,900	12,916,700	14,777,200
Add—Closing Balance - -	21,684,256	22,679,488	16,062,688
TOTAL - - -	55,273,256	57,020,888	53,612,688

The headings in italics are connected with, and explained by, the corresponding figures of the Secretary of State's account in England. The others refer to purely Indian transactions.

239. For

239. For the Budget Estimate of 1894–95, the probable opening cash balance in India was taken at Rx. 26,251,756, but, owing partly to larger payments of Council Bills in 1893–94 than were anticipated, and partly to certain heavy withdrawals of deposits, the actual balances in the Indian Treasuries amounted to Rx. 25,565,588, or Rx. 686,168 less than the estimate. The important operations of the year 1894–95 which affect the cash balances, but for which no provision was made in the Budget, have been (1) the notification for discharge, with option of conversion into 3½ per cents., of all the 4 per cent. public loans, and (2) an increased grant for Capital Expenditure on Railways and Productive Irrigation Works. It is now expected that Rx. 1,000,000 out of the 4 per cent. loans will be paid off in 1894–95, and that the Capital Outlay in India will exceed the Budget provision by Rx. 1,173,700. Against these additional disbursements, aggregating Rx. 2,173,700, the net Revenues show an improvement of Rx. 3,571,700, and all the other transactions produce a net increase in the cash balances of Rx. 283,400. The cash balances on 31st March 1895 are now estimated at Rx. 22,679,488, against Rx. 21,684,256 taken in the Budget, giving an increase of Rx. 995,232. 1894–95. General Summary.

240. Provision was made in the Budget Estimate for paying off in 1894–95 Rx. 150,000 out of the outstanding balance of the 4½ per cent. loans notified for discharge on the 14th October 1893. It is now estimated that the actual payments this year will be about Rx. 200,000. Discharge of Rupee Debt.

The operations for the conversion or discharge of the 4 per cent. public loans undertaken in the current year have already been fully explained. The amount of 4 per cent. paper tendered for discharge up to the 9th March 1895 was Rx. 974,300, out of Rx. 2,761,600 remaining unconverted on that date. The balances, as already stated, are coming in slowly either for conversion or discharge, and the total payments in discharge of the 4 per cent. loans are estimated at Rx. 1,000,000 in the current year and Rx. 750,000 in 1895–96.

241. The loan of 3½ crores taken from the Gwalior Durbar in 1887 is repayable, by annual instalments of twelve lakhs, after the Maharajah is invested with full powers of administration, the first instalment being due twelve months after the installation. The installation having taken place in December 1894, provision is made in the estimates of 1895–96 for the payment of the first instalment of Rx. 120,000. This amount is included in Rx. 890,100 shown as Rupee Debt Discharged in the table in paragraph 238. Discharge of Gwalior Loan.

242. I have already explained in Part I. of this Statement that the special resource operations of 1893–94 increased the sterling debt of the Government of India, and against this increase in the sterling liabilities there has been an accumulation of cash balances in India, which is being drawn against for capital expenditure of Government and discharge of rupee debt. There was therefore no public loan in India in 1894–95, and according to the present estimates no rupee loan will be required in 1895–96. The estimate of 1895–96 provides for the payment in India of Council Bills to the extent of 17,706,800*l.*, for, though drawings are provided for in both 1894–95 and 1895–96 at the rate of 17,000,000*l.*, it is expected that, owing to the large bill drawings, and the small amount of telegraphic transfers in demand at present, the balance of unpaid bills outstanding at the end of 1894–95 will be larger than usual, and thus the actual payments will not fall equally in the two years. Main Features. 1895–96.

243. Although, as above stated, it is not the present intention of the Government of India to raise any loan in 1895–96, full liberty is reserved, as usual, to alter the programme as now announced to any extent that may be considered desirable. Public Loan.

Savings Banks.

244. The following table gives the details of the transactions of Savings Banks during the last few years and the estimated transactions for 1894–95 and 1895–96 :—

Year.	Net Additions to Deposits cash.	Interest.	Total Addition.
	Rx.	Rx.	Rx.
1887–88	656,300	224,000	880,300
1888–89	685,200	261,800	947,000
1889–90	—362,900	272,200	—90,700
1890–91	250,700	279,700	530,400
1891–92	517,900	306,200	824,100
1892–93	548,900	339,400	888,300
1893–94	179,900	368,000	547,900
1894–95 Budget	111,400	325,800	437,200
1894–95 Revised	—44,400	326,000	281,600
1895–96 Budget	102,800	336,700	439,500

For the first time since 1889–90 the Post Office Savings Bank transactions appear likely to result in a net withdrawal of deposits, the credit of interest being disregarded. It was anticipated in the last Financial Statement that the reduction from 3¼ per cent. to 3½ per cent. in the Savings Bank rate of interest, which took effect from 1st April 1894, would put a check upon deposits, and the net amount deposited in the Post Office Savings Banks was accordingly taken at the low figure of Rx. 100,000. The effect of the low rate in this direction has, however, been greater than was estimated, and a net withdrawal of Rx. 50,000 is now expected. If the withdrawals indicate, as they not improbably do, the diversion of practically permanent investment from Savings Banks to Government paper, the effect of the reduction of interest is a good one. The Presidency Savings Banks deposits also show a falling-off this year, but this is largely counterbalanced by an improvement in the receipts on account of the Provident institutions, the transactions of which are also included in the Savings Bank Accounts.

During the course of 1894 the Government of India considered, with reference to the reduction of the rate of interest on Savings Bank deposits, the rates that should be allowed on their various other interest-bearing obligations, and it was decided to reduce the rate to 3½ per cent. in all cases in which the balances are held at call like ordinary Savings Bank deposits, and in which the interest is not given as a privileged rate to benefit a particular class of Government servants.

Loans to Municipalities and Agriculturists, &c.

245. The net issues on account of loans in 1894–95 are now expected to be Rx. 150,100, against Rx. 491,100 entered in the Budget Estimate. The improvement of Rx. 341,000 is due chiefly to large lapses from grants placed at the disposal of the Provincial Governments. The Madras Harbour Trust Board also repaid to Government a sum of Rx. 50,000 which was not entered in the Budget. The very ample cash balances in our treasuries have, I am glad to say, again enabled the Government to provide in full the demands of Local Governments for Agricultural, Municipal, and other local loans in 1895–96 as far as they can be foreseen at present, and the total estimate of net issues in 1895–96 on account of loans by Government is now placed at Rx. 513,400.

246. The year 1895–96 is estimated to close with a cash balance of Rx. 16,062,688, the result of the year's transactions producing a net reduction in the balances of Rx. 6,616,800.

Section IX.—SUMMARY.

247. The principal features of this Statement are:—

(1.) The Accounts of 1893–94 have closed with a deficit of Rx. 1,546,998.

(2.) The Revised Estimates of 1894–95 show a surplus of Rx. 990,500, against a deficit of Rx. 301,900 entered in the Budget. Excluding exchange, there has been a large net improvement in the Revenue of Rx. 3,104,100, of which the most important improvements occur under Opium, Customs Duties, and Railway Revenue. Army also shows a considerable net improvement, notwithstanding payment of British soldiers' pay at a lower rate of exchange and special Waziristan charges. Exchange, which is taken at 13·09*d.* (or 18⅓ Rs. to the £.) against 14*d.* in the Budget, absorbs Rx. 1,811,700 of the increase, thus reducing the net improvement to Rx. 1,292,400.

(3.) The conversion of the Rupee Debt from 4 to 3½ per cent. has resulted in an excess net charge of Rx. 280,600 under interest, but it effects a net saving of Rx. 524,800 in future years. The debt converted now amounts to Rx. 92,025,700, including Rx. 2,007,800 converted into 3½ per cent. loan of 1893 94. It is expected that Rx. 1,000,000 will be paid off during 1894–95. The balance of the 4 per cent. debt outstanding at close of 1894–95 will thus be Rx. 2,123,800, including Rx. 362,000 of Husseinabad endowment, which will probably be wholly or partly converted. It is estimated that Rx. 750,000 more will be paid off in 1895-96.

(4.) The Budget Estimate for 1895–96 shows a surplus of Rx. 46,200.

(5.) The burdens of Government have been increased by—

(*a*) Charges dependent on the fall in exchange, amounting to Rx. 2,503,700.

(*b*) Cessation of contributions from Local Governments, amounting to Rx. 405.000.

(*c*) Increased grants for Imperial Public Works which add to the charges Rx. 280,000.

(*d*) Additional Opium payments of Rx. 460,000, due to rise in price paid to cultivator from Rs. 5 to Rs. 6, and to purchase of opium in Malwa.

(*e*) Increased Army charges, other than those due to Exchange, amounting to Rx. 345,200, the principal items being Rx. 180,000 for an increase to the pay of Native sepoys, to take effect from 1st July, and Rx. 150,000 for military preparations in connection with the disturbances in Chitral.

(6.) Against these burdens we have—

(*a*) Saving of Interest, Rx. 524,800.

(*b*) Improvement in Customs Duties, Rx. 1,882,900.

(*c*) A general net improvement under other heads, especially Railway Revenue, Land Revenue, and Opium.

(7.) The rate of exchange is taken at 13·09*d.* as in the Revised, which adds nearly Rx. 1,900,000 to the direct expenditure under exchange. Exchange Compensation Allowance is estimated to cost Rx. 1,456,500.

(8.) The Famine Grant for Railway Construction is still held in abeyance.

(9.) The Capital Expenditure on Railways and Irrigation Works not charged to Revenue was raised during the course of the year, and is now estimated for 1894–95 at Rx. 5,200,000, against the Budget Estimate of Rx. 4,000,000. The similar charge in 1895–96 is taken at Rx. 4,400,000.

(10.) It is expected that the Secretary of State will in 1895–96 sell Council Bills to the amount of 17,000,000*l.*, and will renew the Temporary Loan of 2,000,000*l.* which falls due in May. No other borrowing is contemplated. These announcements are accompanied by the usual reservation of entire liberty to the Secretary of State to vary the amounts to be obtained by bills or raised by loans as he may find occasion.

(11.) It is estimated that the closing balance in the Treasuries in India on 31st March 1896 will, without any borrowing, stand at Rx. 16,062,688, and it is accordingly not intended to issue any public loan in India in 1895–96. Full liberty is, however, reserved to the Government of India to vary this intention in any way and to any extent which may be found expedient.

(12.) The prospect of financial equilibrium is regarded as more hopeful than twelve months ago, and it is stated that, while the crisis is not yet past, and the financial position cannot be looked upon as safe till the Famine Grant has been renewed, yet the Government of India may claim to have made a full year's progress towards the restoration of their fortunes.

Calcutta, 21 March 1895. *J. Westland.*

APPENDIX I.

ACCOUNTS AND ESTIMATES.

ACCOUNTS - - - - -	1893-94.
REVISED ESTIMATES - - -	1894-95.
BUDGET ESTIMATES - - -	1895-96.

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GENERAL STATEMENT of the ACCOUNTS and ESTIMATES of the GOVERNMENT OF INDIA,

	For Details *vide* Statement	RECEIPTS.			
		Accounts, 1893-94.	Budget Estimate, 1894-95.	Revised Estimate, 1894-95.	Budget Estimate, 1895-96.
REVENUE:					
Principal Heads of Revenue:		*Rx.*	*Rx.*	*Rx.*	*Rx.*
Land Revenue	A.	25,589,609	25,703,600	25,508,700	26,369,600
Opium	–	6,627,571	6,393,600	7,322,000	6,860,600
Salt	–	8,228,876	8,629,200	8,645,700	8,694,300
Stamps	–	4,509,351	4,561,800	4,620,400	4,648,200
Excise	–	5,388,573	5,317,600	5,513,100	5,534,300
Customs	–	1,682,373	2,872,900	3,803,000	4,814,700
Other Heads	–	8,167,247	8,127,400	8,218,000	8,307,300
TOTAL PRINCIPAL HEADS	–	60,193,600	61,606,100	63,630,900	65,229,000
Interest	A.	875,487	856,800	818,500	805,100
Post Office, Telegraph, and Mint	„	2,747,714	2,656,500	2,667,400	2,781,000
Receipts by Civil Departments	„	1,631,302	1,611,700	1,602,800	1,630,200
Miscellaneous	„	999,149	982,700	1,110,200	953,900
Railways	„	20,296,973	20,408,400	21,212,300	21,536,800
Irrigation	„	2,296,409	2,463,800	2,435,600	2,484,300
Buildings and Roads	„	674,354	629,200	681,800	652,400
Receipts by Military Department	„	850,226	809,700	994,600	851,600
TOTAL REVENUE	–	90,565,214	92,024,900	95,154,100	96,924,300
DEBT, DEPOSITS, AND ADVANCES:					
Permanent Debt (net incurred)	C.	4,043,311	—	4,705,500	—
Temporary Debt (net incurred) £.	„	6,000,000	2,300,000	—	—
Unfunded Debt (net incurred) *Rx.*	„	559,960	490,500	360,000	522,300
Deposits and Advances (net)	„	4,344,848	—	925,600	—
Loans and Advances by Imperial Government (net Receipts) *Rx.*	„	1,021,591	1,900	127,400	—
Remittances (net)	„	—	—	—	—
Secretary of State's Bills drawn £.	„	9,530,235	17,000,000	17,000,000	17,000,000
TOTAL RECEIPTS	–	116,065,159	111,817,300	118,362,600	114,446,600
Balance on 1st April—India *Rx.*	–	15,271,756	26,251,756	25,565,588	22,679,488
England £.	–	2,268,388	959,988	1,300,564	2,446,164
GRAND TOTAL	–	133,605,303	139,029,044	145,228,752	139,572,252

Fort William, Finance and Commerce Department,
21 March 1895.

H. G. Cowie,
Deputy Comptroller General.

REVENUE and EXPENDITURE and RECEIPTS and DISBURSEMENTS of the in INDIA and in ENGLAND.

	For Details *vide* Statement	DISBURSEMENTS. Accounts, 1893-94.	Budget Estimate, 1894-95.	Revised Estimate, 1894-95.	Budget Estimate, 1895-96.
EXPENDITURE:		*Rx.*	*Rx.*	*Rx.*	*Rx.*
Direct Demands on the Revenues	B.	9,865,577	10,662,600	9,892,600	11,280,500
Interest	„	4,446,369	4,611,400	5,079,300	4,115,500
Post Office, Telegraph, and Mint	„	2,550,670	2,595,800	2,491,600	2,657,500
Salaries and Expenses of Civil Departments	„	14,637,840	14,959,200	14,902,400	15,379,500
Miscellaneous Civil Charges	„	5,646,877	5,754,000	6,097,700	6,103,700
Famine Relief and Insurance	„	1,117,801	55,000	51,500	55,000
Construction of Railways (charged against Revenue in addition to that under Famine Insurance)	„	73,903	24,400	20,100	9,400
Railway Revenue Account	„	21,832,476	22,538,300	23,029,400	23,685,000
Irrigation	„	2,862,567	2,909,400	2,981,800	3,050,500
Buildings and Roads	„	5,810,852	5,489,100	5,352,500	5,817,000
Army Services	„	23,253,597	23,759,700	24,134,300	25,193,100
Special Defence Works	„	324,974	152,300	184,600	154,700
TOTAL EXPENDITURE, IMPERIAL and PROVINCIAL	–	92,423,503	93,511,200	94,817,800	97,501,400
Add—Provincial Surpluses: that is, portion of Allotments to Provincial Governments not spent by them in the year	End of B.	100,777	—	55,100	—
Deduct—Provincial Deficits: that is, portion of Provincial Expenditure defrayed from Provincial Balances	„	*412,068*	*1,184,400*	*709,900*	*623,300*
TOTAL EXPENDITURE charged against REVENUE	–	92,112,212	92,326,800	94,163,600	96,878,100
EXPENDITURE NOT CHARGED TO REVENUE:					
Capital Outlay on Railways and Irrigation Works	End of B.	3,621,252	4,000,000	5,200,000	4,400,000
DEBT, DEPOSITS, AND ADVANCES:					
Permanent Debt (net Discharged)	C.	—	151,000	—	800,100
Temporary Debt (net Discharged) *£.*	„	—	—	4,000,000	—
Deposits and Advances (net)	„	—	641,400	—	823,200
Loans and Advances by Imperial Government (net Advances) *Rx.*	„	—	—	—	49,900
Loans and Advances by Provincial Governments (net Advances) *Rx.*	„	195,799	493,000	277,500	463,500
Capital of Railway Companies (net Payments)	„	711,466	1,013,900	727,800	619,000
Remittances (net)	„	138,246	7,200	201,900	2,500
Secretary of State's Bills paid *£.*	„	9,960,176	17,000,000	15,532,300	17,706,800
TOTAL DISBURSEMENTS	–	106,739,151	115,633,300	120,103,100	121,833,100
Balance on 31st March—India *Rx.*	–	25,565,588	21,684,256	22,679,488	16,062,688
England *£.*	–	1,300,564	1,711,488	2,446,164	1,676,464
GRAND TOTAL	–	133,605,303	139,029,044	145,228,752	139,572,252
		Rx.	*Rx.*	*Rx.*	*Rx.*
Revenue		90,565,214	92,024,900	95,154,100	96,924,300
Expenditure chargeable thereon		92,112,212	92,326,800	94,163,600	96,878,100
Surplus (+) or Deficit (—)		—1,546,998	—301,900	+990,500	+46,200

A. F. Cox,
Officiating Comptroller General.

Stephen Jacob,
Officiating Secretary to the Government of India.

A.—STATEMENT of the REVENUE of INDIA, in INDIA and in ENGLAND.

HEADS OF REVENUE.	ACCOUNTS, 1893-94.					REVISED	
	India.		England.	Exchange.* 14·547 *d.*	TOTAL.	India.	
	Imperial.	Provincial and Local.				Imperial.	Provincial and Local.
PRINCIPAL HEADS OF REVENUE:	*Rx.*	*Rx.*	£.	*Rx.*	*Rx.*	*Rx.*	*Rx.*
I.—Land Revenue	16,471,559	9,118,050	- -	- -	25,589,609	16,641,600	8,867,100
II.—Opium	6,627,571	- -	- -	- -	6,627,571	7,322,000	- -
III.—Salt	8,202,329	26,547	- -	- -	8,228,876	8,613,400	32,300
IV.—Stamps	1,190,868	3,318,483	- -	- -	4,509,351	1,223,200	3,397,200
V.—Excise	4,079,112	1,309,461	- -	- -	5,388,573	4,176,300	1,336,800
VI.—Provincial Rates	2,946	3,511,625	- -	- -	3,514,571	4,200	3,559,000
VII.—Customs	1,663,577	18,796	- -	- -	1,682,373	3,779,200	23,800
VIII.—Assessed Taxes	995,947	743,224	- -	- -	1,739,171	1,028,300	765,000
IX.—Forest	1,009,091	713,931	- -	- -	1,723,022	949,100	698,900
X.—Registration	209,405	206,741	- -	- -	416,146	209,300	206,400
XI.—Tributes from Native States	774,337	- -	- -	- -	774,337	797,800	- -
Total	41,226,742	18,966,858	- -	- -	60,193,600	44,744,400	18,886,500
XII.—INTEREST	714,895	144,026	10,041	6,525	875,487	662,700	149,400
POST OFFICE, TELEGRAPH, AND MINT:							
XIII.—Post Office	1,553,651	7,612	- -	- -	1,561,263	1,618,300	7,900
XIV.—Telegraph	955,696	- -	2,061	1,339	959,096	1,000,600	- -
XV.—Mint	227,355	- -	- -	- -	227,355	32,500	- -
Total	2,736,702	7,612	2,061	1,339	2,747,714	2,651,400	7,900
RECEIPTS BY CIVIL DEPARTMENTS:							
XVI.—Law and Justice { Courts	20,014	352,391	- -	- -	372,405	19,600	346,100
XVI.—Law and Justice { Jails	42,269	263,922	- -	- -	306,191	39,500	266,200
XVII.—Police	14,640	402,891	- -	- -	417,531	17,100	384,700
XVIII.—Marine	25,878	126,546	- -	- -	152,424	17,100	130,100
XIX.—Education	1,256	214,922	- -	- -	216,178	1,600	210,600
XX.—Medical	323	71,621	1,934	1,257	75,135	300	77,400
XXI.—Scientific and other Minor Departments.	10,981	79,590	562	365	91,438	9,600	79,300
Total	115,361	1,511,823	2,496	1,622	1,631,302	104,800	1,494,400
MISCELLANEOUS:							
XXII.—Receipts in aid of Superannuation, &c.	166,975	49,177	97,904	63,625	377,681	162,700	46,500
XXIII.—Stationery and Printing	30,802	53,696	- -	- -	84,498	33,700	52,100
XXIV.—Exchange	106,920	- -	- -	- -	106,920	190,300	- -
XXV.—Miscellaneous	113,124	308,342	5,203	3,381	430,050	114,800	327,500
Total	417,821	411,215	103,107	67,006	999,149	501,500	426,100
RAILWAYS:							
XXVI.—State Railways (Gross Receipts)	15,882,589	996,138	230	150	16,879,107	17,059,100	1,074,900
XXVII.—Guaranteed Companies (Net Traffic Receipts).	3,383,812	- -	- -	- -	3,383,812	3,039,000	- -
XXVIII.—Subsidised Companies (Repayment of Advances of Interest).	34,054	- -	- -	- -	34,054	38,900	- -
Total	19,300,455	996,138	230	150	20,296,973	20,137,000	1,074,900
IRRIGATION:							
XXIX.—Major Works: Direct Receipts	604,462	745,223	- -	- -	1,349,685	654,700	701,600
Portion of Land Revenue due to Irrigation.	746,926	- -	- -	- -	746,926	879,400	- -
XXX.—Minor Works and Navigation	54,240	145,558	- -	- -	199,798	46,800	153,100
Total	1,405,628	890,781	- -	- -	2,296,409	1,580,900	854,700
BUILDINGS AND ROADS:							
XXXI.—Military Works	45,894	- -	- -	- -	45,894	56,800	- -
XXXII.—Civil Works	16,641	569,206	25,828	16,785	628,460	14,200	563,700
Total	62,535	569,206	25,828	16,785	674,354	71,000	563,700
RECEIPTS BY MILITARY DEPARTMENT:							
XXXIII.—Army: Effective	694,482	- -	39,636	25,758	759,876	790,000	- -
Non-effective	73,761	- -	10,055	6,534	90,350	82,500	- -
Total	768,243	- -	49,691	32,292	850,226	872,500	- -
TOTAL REVENUES	66,748,382	23,497,659	193,454	125,719	90,565,214	71,326,200	23,457,600

* The columns headed "Exchange" show, under the several heads of Revenue and Expenditure which include transactions in England, Exchange thereon calculated in accordance with the average rate obtained, or estimated to be obtained, for Bills and Telegraphic Transfers sold during the year.

A.—STATEMENT of the REVENUE of INDIA, in INDIA and in ENGLAND.

ESTIMATE, 1894-95.			Increase + Decrease — of Revised, as compared with Budget Estimates, 1894–95. (Excluding Exchange.)	BUDGET ESTIMATE, 1895–96.					Increase + Decrease — of Budget, 1895–96, as compared with Budget Estimates, 1894–95. (Excluding Exchange.)	Increase + Decrease — of Budget, 1895–96, as compared with Revised Estimates, 1894–95. (Excluding Exchange.)
England.	Exchange.* 13·09*d.* (£1 = *Rs.* 18⅓).	TOTAL.		India. Imperial.	India. Provincial and Local.	England.	Exchange.* 13·09*d.* (£1 = *Rs.* 18⅓).	TOTAL.		
£.	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*	£.	*Rx.*	*Rx.*	*Rx.*	*Rx.*
- -	- -	25,508,700	— 194,900	16,788,700	9,580,900	- -	- -	26,369,600	+ 666,000	+ 860,900
- -	- -	7,322,000	+ 928,400	6,860,600	- -	- -	- -	6,860,600	+ 467,000	— 461,400
- -	- -	8,645,700	+ 16,500	8,659,700	34,600	- -	- -	8,694,300	+ 65,100	+ 48,600
- -	- -	4,620,400	+ 58,600	1,232,600	3,415,600	- -	- -	4,648,200	+ 86,400	+ 27,800
- -	- -	5,513,100	+ 195,500	4,191,700	1,342,600	- -	- -	5,534,300	+ 216,700	+ 21,200
- -	- -	3,563,200	+ 37,900	4,200	3,649,800	- -	- -	3,654,000	+ 128,700	+ 90,800
- -	- -	3,803,000	+ 930,100	4,789,600	25,100	- -	- -	4,814,700	+1,941,800	+1,011,700
- -	- -	1,793,300	+ 52,400	1,028,200	771,000	- -	- -	1,799,200	+ 58,300	+ 5,900
- -	- -	1,648,000	+ 2,000	950,600	691,600	- -	- -	1,642,200	— 3,800	— 5,800
- -	- -	415,700	— 24,300	212,600	209,800	- -	- -	422,400	— 17,600	+ 6,700
- -	- -	797,800	+ 22,600	789,500	- -	- -	- -	789,500	+ 14,300	— 8,300
- -	- -	63,630,900	+2,024,800	45,508,000	19,721,000	- -	- -	65,229,000	+3,622,900	+1,598,100
3,500	2,900	818,500	— 34,100	634,600	161,300	5,000	4,200	805,100	— 48,800	— 14,700
- -	- -	1,626,200	+ 31,200	1,679,300	8,200	- -	- -	1,687,500	+ 92,500	+ 61,300
4,400	3,700	1,008,700	+ 14,900	1,026,500	- -	5,100	4,200	1,035,800	+ 41,500	+ 26,600
- -	- -	32,500	— 35,200	57,700	- -	- -	- -	57,700	— 10,000	+ 25,200
4,400	3,700	2,667,400	+ 10,900	2,763,500	8,200	5,100	4,200	2,781,000	+ 124,000	+ 113,100
- -	- -	365,700	— 12,900	18,800	352,400	- -	- -	371,200	— 7,400	+ 5,500
- -	- -	305,700	— 18,300	42,200	274,400	- -	- -	316,600	— 7,400	+ 10,900
- -	- -	401,800	+ 3,000	16,700	397,000	- -	- -	413,700	+ 14,900	+ 11,900
- -	- -	147,200	+ 9,000	12,900	129,400	- -	- -	142,300	+ 4,100	— 4,900
- -	- -	212,200	— 1,100	1,000	213,300	- -	- -	215,200	+ 1,900	+ 3,000
1,700	1,400	80,800	+ 10,300	300	75,500	1,600	1,400	78,800	+ 8,300	— 2,000
300	200	89,400	+ 1,000	9,900	82,000	300	200	92,400	+ 4,000	+ 3,000
2,000	1,600	1,602,800	— 9,000	102,700	1,524,000	1,900	1,600	1,630,200	+ 18,400	+ 27,400
94,600	78,800	382,600	+ 8,100	152,800	46,900	93,500	77,900	371,100	— 2,500	— 10,600
- -	- -	85,800	+ 1,500	30,000	53,700	- -	- -	84,600	+ 300	— 1,200
- -	- -	190,300	+ 40,300	88,400	- -	- -	- -	88,400	— 61,600	— 101,900
5,000	4,200	451,500	+ 64,400	98,000	307,200	2,500	2,100	409,800	+ 24,800	— 39,600
99,600	83,000	1,110,200	+ 114,300	370,100	407,800	96,000	80,000	953,900	— 39,000	— 153,300
200	200	18,134,400	+1,194,400	16,955,000	1,046,500	200	200	18,001,900	+1,061,900	— 132,500
- -	- -	3,039,000	— 406,500	3,495,000	- -	- -	- -	3,495,000	+ 49,500	+ 456,000
- -	- -	38,900	+ 15,900	39,900	- -	- -	- -	39,900	+ 16,900	+ 1,000
200	200	21,212,300	+ 803,800	20,489,900*	1,046,500	200	200	21,536,800	+1,128,300	+ 324,500
- -	- -	1,356,300	— 35,300	735,800	614,500	- -	- -	1,350,300	— 41,300	— 6,000
- -	- -	879,400	+ 10,900	929,700	- -	- -	- -	929,700	+ 61,200	+ 50,300
- -	- -	199,900	— 3,800	51,100	153,200	- -	- -	204,300	+ 600	+ 4,400
- -	- -	2,435,600	— 28,200	1,716,600	767,700	- -	- -	2,484,300	+ 20,500	+ 48,700
- -	- -	56,800	+ 10,000	45,800	- -	- -	- -	45,800	— 1,000	— 11,000
25,700	21,400	625,000	+ 38,900	14,300	544,300	26,200	21,800	606,600	+ 20,100	— 18,800
25,700	21,400	681,800	+ 48,900	60,100	544,300	26,200	21,800	652,400	+ 19,100	— 29,800
56,600	47,200	893,800	+141,100	701,600	- -	26,100	21,700	749,400	+ 22,200	— 118,900
10,000	8,300	100,800	+ 12,100	82,900	- -	10,500	8,800	102,200	+ 13,000	+ 900
66,600	55,500	994,600	+153,200	784,500	- -	36,600	30,500	851,600	+ 35,200	— 118,000
202,000	168,300	95,154,100	+3,084,600	72,430,000	24,180,800	171,000	142,500	96,924,300	+4,880,600	+1,796,000
Add,—Increase on account of Exchange - - - *Rx.*			+ 44,600	*Add*,—Increase (+) or decrease (—) on account of Exchange - *Rx.*					+ 18,800	— 25,800
TOTAL, INCLUDING EXCHANGE - *Rx.*			+3,129,200	TOTAL, INCLUDING EXCHANGE - *Rx.*					+4,899,400	+1,770,200

B.—STATEMENT of the EXPENDITURE chargeable on the

HEADS OF EXPENDITURE.	ACCOUNTS, 1893-94.					REVISED	
	India.		England.	Exchange.* 14·547*d.*	TOTAL.	India.	
	Imperial.	Provincial and Local.				Imperial.	Provincial and Local.
DIRECT DEMANDS ON THE REVENUES:	*Rx.*	*Rx.*	£.	*Rx.*	*Rx.*	*Rx.*	*Rx.*
1.—Refunds and Drawbacks	176,498	79,522	- -	- -	256,020	204,400	73,300
2.—Assignments and Compensations	513,526	1,014,734	- -	- -	1,528,260	527,200	1,022,100
Charges in respect of Collection, viz.:							
3.—Land Revenue	386,678	3,634,795	85	55	4,021,613	405,300	3,700,200
4.—Opium (including Cost of Production)	1,874,498	- -	1,278	831	1,876,607	1,643,800	- -
5.—Salt (including Cost of Production)	415,762	56,701	1,177	765	474,405	435,400	61,500
6.—Stamps	— *35,257*	127,681	38,875	25,263	156,562	— *38,400*	131,700
7.—Excise	146,341	46,952	50	32	193,375	149,200	47,900
8.—Provincial Rates	- -	53,809	- -	- -	53,809	- -	56,800
9.—Customs	53,680	89,893	135	88	143,736	68,900	118,400
10.—Assessed Taxes	15,717	15,343	- -	- -	31,060	15,300	15,400
11.—Forest	507,213	397,094	1,273	827	906,407	522,000	410,800
12.—Registration	112,344	111,379	- -	- -	223,723	115,400	114,300
Total	4,167,000	5,627,843	42,873	27,861	9,865,577	4,048,500	5,752,400
INTEREST:							
13.—Interest on Debt † other than that charged to Railways and Irrigation Works.	— *347,521*	109,503	2,505,280	1,628,094	3,895,056	— *333,300*	118,900
14.—Interest on other Obligations	548,205	2,753	215	140	551,313	501,000	3,900
Total	200,384	112,256	2,505,495	1,628,234	4,446,369	167,700	122,800
POST OFFICE, TELEGRAPH, AND MINT:							
15.—Post Office	1,267,394	118,489	103,993	67,581	1,557,457	1,307,500	121,100
16.—Telegraph	672,178	- -	139,378	90,577	902,133	654,600	- -
17.—Mint	83,588	- -	4,541	2,951	91,080	50,600	- -
Total	2,023,160	118,489	247,912	161,109	2,550,670	2,012,700	121,100
SALARIES AND EXPENSES OF CIVIL DEPARTMENTS:							
18.—General Administration	641,453	877,679	265,812	172,742	1,957,686	673,100	907,900
19.—Law and Justice { Courts	123,466	2,872,624	224	146	2,996,460	112,700	2,954,100
19.—Law and Justice { Jails	165,345	758,708	- -	- -	924,053	162,300	752,600
20.—Police	704,976	3,213,717	662	430	3,919,785	658,400	3,320,700
21.—Marine (including River Navigation)	190,727	158,581	245,443	159,505	754,256	205,700	141,300
22.—Education	25,280	1,443,747	1,657	1,077	1,471,761	28,100	1,464,900
23.—Ecclesiastical	176,376	- -	137	89	176,602	185,000	- -
24.—Medical	42,964	925,005	6,760	4,393	979,122	40,100	949,300
25.—Political	862,150	67,450	21,958	14,270	965,828	858,700	68,200
26.—Scientific and other Minor Departments	243,944	182,414	39,960	25,969	492,287	249,000	175,200
Total	3,176,681	10,499,025	582,613	378,621	14,637,840	3,173,100	10,734,200
MISCELLANEOUS CIVIL CHARGES:							
27.—Territorial and Political Pensions	472,228	- -	21,950	14,265	508,443	460,300	- -
28.—Civil Furlough and Absentee Allowances	1,548	- -	197,521	128,362	327,431	1,800	- -
29.—Superannuation Allowances and Pensions	84,812	825,735	1,784,051	1,159,393	3,853,991	88,500	860,700
30.—Stationery and Printing	124,754	473,442	51,510	33,475	683,181	105,800	499,900
32.—Miscellaneous	67,032	162,162	27,055	17,582	273,831	39,600	162,100
Total	750,374	1,461,339	2,082,087	1,353,077	5,646,877	696,000	1,522,700
FAMINE RELIEF AND INSURANCE:							
33.—Famine Relief	- -	496	- -	- -	496	- -	9,100
34.—Construction of Protective Railways	1,060,954	- -	- -	- -	1,060,954	—	—
35.—Construction of Protective Irrigation Works	56,044	- -	186	121	56,351	42,000	- -
Total‡	1,116,998	496	186	121	1,117,801	42,000	9,100
Carried forward	11,434,597	17,820,348	5,461,166	3,549,023	38,265,134	10,140,000	18,262,300

* See foot-note to Statement A.

† The "Interest on Debt" is distributed as follows:—

	ACCOUNTS, 1893-94.			
	India.	England.	Exchange.	TOTAL.
	Rx.	£.	*Rx.*	*Rx.*
Interest on Debt (other than that charged to Railways and Irrigation Works) as above	— *238,318*	2,505,280	1,628,094	3,895,056
Under Railway Revenue Account	3,346,574	1,214,411	789,203	5,350,188
Under Irrigation	1,165,558	- -	- -	1,165,558
TOTAL	4,273,814	3,719,691	2,417,297	10,410,802

‡ The following further sums, which are included under XXVI. and 38, State Railways, are chargeable to the grant for Famine Relief and Insurance, as representing the net charge on the Revenues on account of Protective railways constructed through the agency of Companies:—

	Accounts, 1893-94.	Revised Estimate, 1894-95.	Budget Estimate, 1895-96.
	Rx.	*Rx.*	*Rx.*
Indian Midland Railway	275,194	234,700	225,500
Bengal-Nagpur Railway	96,574	157,700	141,300
TOTAL	371,768	392,400	366,800

REVENUES of INDIA, in INDIA and in ENGLAND.

ESTIMATE, 1894-95.			Increase + Decrease — of Revised as compared with Budget Estimates, 1894-95. (Excluding Exchange.)	BUDGET ESTIMATE, 1895-96.					Increase + Decrease — of Budget, 1895-96, as compared with Budget Estimates, 1894-95. (Excluding Exchange.)	Increase + Decrease — of Budget, 1895-96, as compared with Revised Estimates, 1894-95. (Excluding Exchange.)
				India.						
England.	Exchange.* 1s·09d. (£. = R. 18⅓.)	TOTAL.		Imperial.	Provincial and Local.	England.	Exchange.* 1s·09d. (£. R. 18⅓.)	TOTAL.		
£.	Rx.	Rx.	Rx.	Rx.	Rx.	£.	Rx.	Rx.	Rx.	Rx.
- -	- -	277,700	+ 46,100	252,200	72,500	- -	- -	324,700	+ 93,100	+ 47,000
- -	- -	1,549,300	— 27,300	508,800	1,030,500	- -	- -	1,539,300	— 37,300	— 10,000
400	300	4,106,200	— 80,500	424,500	3,763,900	400	300	4,189,100	+ 2,400	+ 82,900
1,400	1,200	1,646,400	— 609,500	2,753,900	- -	700	600	2,755,200	+ 499,900	+ 1,109,400
400	300	497,600	— 21,200	460,500	72,900	400	300	534,100	+ 15,300	+ 36,500
47,000	39,200	179,500	— 3,700	— 89,700	134,000	55,600	46,300	197,100	+ 6,800	+ 10,500
- -	- -	197,100	— 8,100	159,000	50,900	100	100	210,100	+ 4,800	+ 12,900
- -	- -	56,800	+ 3,800	- -	55,900	-	- -	55,900	+ 2,900	— 900
100	100	187,500	— 22,000	77,700	132,400	100	100	210,300	+ 800	+ 22,800
- -	- -	30,700	— 2,000	15,900	15,900	- -	- -	31,800	— 900	+ 1,100
700	600	934,100	— 50,400	556,800	437,000	700	600	995,100	+ 10,600	+ 61,000
- -	- -	229,700	— 200	119,500	118,300	- -	- -	237,800	+ 7,900	+ 8,100
50,000	41,700	9,892,600	— 775,000	5,289,100	5,885,100	58,000	48,300	11,280,500	+ 606,900	+ 1,381,300
2,612,000	2,176,600	4,574,200	+ 208,100	—1,410,200	133,800	2,658,100	2,215,100	3,596,800	— 807,800	— 1,015,900
100	100	505,100	— 600	515,000	3,300	200	200	518,700	+ 12,900	+ 13,500
2,612,100	2,176,700	5,079,300	+ 207,500	—895,200	137,100	2,658,300	2,215,300	4,115,500	— 794,900	— 1,002,400
103,300	86,100	1,618,000	— 2,700	1,351,200	123,800	102,400	85,300	1,662,700	+ 42,800	+ 45,500
90,900	75,700	821,200	— 82,000	740,800	- -	109,200	91,000	941,000	+ 22,500	+ 104,500
1,000	800	52,400	— 14,900	52,500	- -	700	600	53,800	— 13,300	+ 1,600
195,200	162,600	2,491,600	— 99,600	2,144,500	123,800	212,300	176,900	2,657,500	+ 52,000	+ 151,600
274,600	228,800	2,084,400	+ 56,700	661,000	909,900	251,900	209,900	2,032,700	+ 23,900	— 32,800
1,300	1,100	3,069,200	+ 25,000	116,200	3,008,800	1,900	1,600	3,128,500	+ 83,800	+ 58,800
- -	- -	914,900	— 45,100	163,300	794,400	- -	- -	957,700	— 2,300	+ 42,800
800	700	3,980,600	— 62,700	668,800	3,427,400	500	400	4,097,100	+ 54,100	+ 116,800
189,800	158,200	695,000	— 29,700	222,900	156,500	211,900	176,600	767,900	+ 24,800	+ 54,500
1,600	1,300	1,495,900	— 49,600	32,100	1,552,300	1,600	1,300	1,587,300	+ 41,800	+ 91,400
100	100	185,200	— 1,400	194,700	- -	400	300	195,400	+ 8,600	+ 10,000
6,500	5,400	1,001,300	— 4,800	42,200	990,500	6,500	5,400	1,044,600	+ 38,500	+ 43,300
21,600	18,000	966,500	— 20,000	889,700	73,400	51,200	42,700	1,057,000	+ 45,800	+ 65,800
46,500	38,700	509,400	— 10,800	265,700	189,500	30,600	25,500	511,300	+ 4,300	+ 15,100
542,800	452,300	14,902,400	— 142,400	3,256,600	11,102,700	556,500	463,700	15,379,500	+ 323,300	+ 465,700
7,000	5,800	473,100	— 9,800	457,200	- -	9,400	7,800	474,400	— 10,500	— 700
223,000	185,800	410,600	+ 15,800	1,000	- -	218,000	181,700	400,700	+ 10,000	— 5,800
1,797,300	1,497,800	4,244,300	+ 33,100	88,600	874,000	1,812,500	1,510,400	4,285,500	+ 61,700	+ 28,600
49,400	41,200	696,300	+ 7,700	124,500	496,200	41,900	34,900	697,500	+ 15,200	+ 7,500
39,100	32,600	273,400	+ 8,500	28,500	177,800	21,400	17,900	245,600	— 4,600	— 13,100
2,115,800	1,763,200	6,097,700	+ 55,300	699,800	1,548,000	2,103,200	1,752,700	6,103,700	+ 71,800	+ 16,500
- -	- -	9,100	— 900	- -	5,000	- -	- -	5,000	— 5,000	— 4,100
200	200	42,400	— 2,800	50,000	- -	- -	- -	50,000	+ 5,000	+ 7,800
200	200	51,500	— 3,700	50,000	5,000	- -	- -	55,000	—	+ 3,700
5,536,100	4,596,700	38,515,100	— 757,900	10,544,800	18,801,700	5,588,300	4,656,900	39,591,700	+ 258,500	+ 1,016,400

REVISED ESTIMATE, 1894-95.				BUDGET ESTIMATE, 1895-96.			
India.	England.	Exchange.	TOTAL.	India.	England.	Exchange.	TOTAL.
Rx.	£.	Rx.	Rx.	Rx.	£.	Rx.	Rx.
—214,400	2,612,000	2,176,600	4,574,200	-1,276,400	2,658,100	2,215,100	3,596,800
3,520,600	1,202,100	1,001,700	5,724,400	3,687,400	1,198,900	999,100	5,885,400
1,193,800	- -	- -	1,193,800	1,222,400	- -	- -	1,222,400
4,500,000	3,814,100	3,178,300	11,492,400	3,633,400	3,857,000	3,214,200	10,704,600

B.—STATEMENT of the EXPENDITURE chargeable on the

HEADS OF EXPENDITURE.	ACCOUNTS, 1893-94.					REVISED	
	India.		England.	Exchange.*	TOTAL.	India.	
	Imperial.	Provincial and Local.		14·547*d.*		Imperial.	Provincial and Local.
	Rx.	*Rx.*	£.	*Rx.*	*Rx.*	*Rx.*	*Rx.*
Brought forward - - -	11,434,597	17,820,348	5,461,166	3,549,023	38,265,134	10,140,000	18,262,300
37.—CONSTRUCTION of RAILWAYS (charged against Revenue in addition to that under Famine Insurance).	- -	73,903	- -	- -	73,903	- -	20,100
RAILWAY REVENUE ACCOUNT:							
38.—State Railways: Working Expenses - -	7,879,011	384,964	- -	- -	8,263,975	8,425,500	387,500
Interest on Debt - - - - -	3,114,405	212,754	997,463	648,216	4,972,838	3,286,500	214,700
Annuities in purchase of Railways - -	- -	- -	1,695,547	1,101,877	2,797,424	- -	- -
Interest chargeable against Companies on Advances.	- -	- -	216,948	140,987	357,935	- -	- -
Interest on Capital deposited by Companies	31,809	- -	679,635	441,671	1,153,115	33,700	- -
39.—Guaranteed Companies: Surplus Profits, Land, and Supervision.	605,258	- -	- -	- -	605,258	631,900	- -
Interest - - - - - - -	2,495	- -	2,154,720	1,400,277	3,557,492	6,800	- -
40.—Subsidised Companies: Land, &c. - -	6,766	14,234	- -	- -	21,000	4,200	14,100
41.—Miscellaneous Railway Expenditure - -	102,253	1,186	- -	- -	103,439	103,500	— 300
Total - - -	11,741,997	613,138	5,744,313	3,733,028	21,832,476	12,492,100	616,000
IRRIGATION:							
42.—Major Works: Working Expenses - -	398,710	390,247	- -	- -	788,957	429,800	384,200
Interest on Debt - - - - -	629,633	535,925	- -	- -	1,165,558	654,000	539,800
43.—Minor Works and Navigation - - -	325,032	581,433	962	625	908,052	373,300	598,100
Total - - -	1,353,375	1,507,605	962	625	2,862,567	1,457,100	1,522,100
BUILDINGS AND ROADS:							
44.—Military Works - - - - - -	1,154,268	- -	15,965	10,375	1,180,608	965,400	- -
45.—Civil Works - - - - - -	690,422	3,793,956	88,411	57,455	4,630,244	502,200	3,691,300
Total - - -	1.844,690	3,793,956	104,376	67,830	5,810,852	1,467,600	3,691,300
ARMY SERVICES:							
46.—Army: Effective - - - - -	15,026,170	- -	2,167,670	1,408,693	18,602,533	15,198,900	- -
Non-effective - - - - -	938,666	- -	2,250,122	1,462,276	4,651,064	919,700	- -
Total - - -	15,964,836	- -	4,417,792	2,870,969	23,253,597	16,118,600	- -
SPECIAL DEFENCE WORKS:							
47.—Special Defence Works - - - -	162,947	- -	98,206	63,821	324,974	70,400	- -
TOTAL EXPENDITURE, IMPERIAL and PROVINCIAL - - -	42,502,442	23,808,950	15,826,815	10,285,296	92,423,503	41,745,800	24,111,800
Add,—Portion of Allotments to Provincial Governments not spent by them in the Year - - - - -	- -	100,777	- -	- -	100,777	- -	55,100
Deduct.—Portion of Provincial Expenditure defrayed from Provincial Balances	- -	*412,068*	- -	- -	*412,068*	- -	*709,300*
TOTAL EXPENDITURE CHARGED AGAINST REVENUE - -	42,502,442	23,497,659	15,826,815	10,285,296	92,112,212	41,745,800	23,457,600

	ACCOUNTS, 1893-94.			
	India.	England.	Exchange.	TOTAL.
EXPENDITURE NOT CHARGED TO REVENUE:				
Capital Outlay, Railways and Irrigation Works:	*Rx.*	£.	*Rx.*	*Rx.*
48.—State Railways - - - - - -	1,764,912	711,971	462,685	2,939,568
49.—Irrigation Works - - - - - -	660,050	13,113	8,521	681,684
TOTAL - - -	2,424,962	725,084	471,206	3,621,252

* *See* foot-note to Statement A.

REVENUES of INDIA, in INDIA and in ENGLAND—*continued.*

ESTIMATE, 1894-95.			Increase + Decrease — of Revised as compared with Budget Estimates, 1894-95 (Excluding Exchange.)	BUDGET ESTIMATE, 1895-96.					Increase + Decrease — of Budget 1895-96, as compared with Budget Estimates, 1894-95 (Excluding Exchange).	Increase + Decrease of Budget, 1895-96, as compared with Revised Estimates, 1894-95 (Excluding Exchange).
England.	Exchange.* 13·09*d.* (£.1 = *Rs.* 18⅓).	TOTAL.		India. Imperial.	India. Provincial and Local.	England.	Exchange.* 13·09*d.* (£.1 = *Rs.* 18⅓).	TOTAL.		
£.	*Rx.*	*Rx.*		*Rx.*	*Rx.*	£.	*Rx.*	*Rx.*		
5,516,100	4,596,700	38,515,100	— 757,900	10,544,800	18,801,700	5,588,300	4,656,900	39,591,700	+ 258,500	+1,016,400
- -	- -	20,100	— 4,300	- -	9,400	- -	- -	9,400	— 15,000	— 10,700
- -	- -	8,813,000	+ 411,200	8,340,800	356,200	- -	- -	8,697,000	+ 295,200	— 116,000
983,200	819,300	5,303,700	+ 21,900	3,452,800	215,200	980,000	816,700	5,464,700	+ 185,500	+ 163,600
1,702,700	1,418,900	3,121,600	- -	- -	- -	1,705,900	1,421,600	3,127,500	+ 3,200	+ 3,200
218,900	182,400	401,300	- -	- -	- -	218,900	182,400	401,300	—	—
679,500	566,300	1,279,500	— 800	34,600	- -	680,300	566,900	1,281,800	+ 900	+ 1,700
- -	- -	631,900	— 19,700	618,000	- -	- -	- -	618,000	— 33,600	— 13,900
2,154,600	1,795,500	3,956,900	+ 3,300	2,200	- -	2,161,300	1,801,100	3,964,600	+ 5,400	+ 2,100
- -	- -	18,300	— 800	20,000	10,100	- -	- -	30,100	+ 11,000	+ 11,800
- -	- -	103,200	— 6,800	100,000	- -	- -	- -	100,000	— 10,000	— 3,200
5,738,900	4,782,400	23,629,400	+ 408,300	12,568,400	581,500	5,746,400	4,788,700	23,685,000	+ 457,600	+ 49,300
- -	- -	814,000	+ 44,800	430,000	383,200	- -	- -	813,200	+ 44,000	— 800
- -	- -	1,193,800	+ 300	677,900	544,500	- -	- -	1,222,400	+ 28,900	+ 28,600
1,400	1,200	974,000	+ 26,600	384,400	629,400	600	500	1,014,900	+ 68,200	+ 41,600
1,400	1,200	2,981,800	+ 71,700	1,492,300	1,557,100	600	500	3,050,500	+ 141,100	+ 69,400
23,500	19,600	1,008,500	— 11,100	1,137,000	- -	16,000	13,300	1,166,300	+ 153,000	+ 164,100
82,100	68,400	4,344,000	— 146,800	644,900	3,854,400	82,600	68,800	4,650,700	+ 159,500	+ 306,300
105,600	88,000	5,352,500	— 157,900	1,781,900	3,854,400	98,600	82,100	5,817,000	+ 312,500	+ 470,400
2,071,600	1,726,300	18,996,800	— 52,800	16,148,100	- -	2,095,900	1,746,600	19,990,600	+ 920,700	+ 973,500
2,300,600	1,917,200	5,137,500	— 53,400	922,400	- -	2,334,600	1,945,500	5,202,500	— 16,700	+ 36,700
4,372,200	3,643,500	24,134,300	— 106,200	17,070,500	- -	4,430,500	3,692,100	25,193,100	+ 904,000	+1,010,200
62,300	51,900	184,600	— 3,400	70,000	- -	46,200	38,500	154,700	— 19,900	— 16,500
15,796,500	13,163,700	94,817,800	— 549,700	43,527,900	24,804,100	15,910,600	13,258,800	97,501,400	+2,038,800	+2,588,500
- -	- -	55,100	+ 55,100	- -	- -	- -	- -	- -	- -	— 55,100
- -	- -	*709,300*	+ 475,100	- -	*623,300*	- -	- -	*623,300*	+ 561,100	+ 86,000
15,796,500	13,163,700	94,163,600	— 19,500	43,527,900	24,180,800	15,910,600	13,258,800	96,878,100	+2,599,900	+2,619,400
Add,—Increase on account of Exchange - - - *Rx.*			+ 1,856,300			*Add*,—Increase on account of Exchange - - - *Rx.*			+ 1,951,400	+ 95,100
TOTAL, INCLUDING EXCHANGE - *Rx.*			+ 1,836,800			TOTAL, INCLUDING EXCHANGE - *Rx.*			+ 4,551,300	+ 2,714,500

REVISED ESTIMATE, 1894-95.				BUDGET ESTIMATE, 1895-96.			
India.	England.	Exchange.	TOTAL.	India.	England.	Exchange.	TOTAL.
Rx.	£.	*Rx.*	*Rx.*	*Rx.*	£.	*Rx.*	*Rx.*
3,109,400	818,500	682,100	4,610,000	2,147,200	847,000	705,800	3,700,000
581,400	4,700	3,900	590,000	695,200	2,600	2,200	700,000
3,690,800	823,200	686,000	5,200,000	2,842,400	849,600	708,000	4,400,000

* *See* foot-note to Statement A.

C.—STATEMENT of Receipts and Disbursements

	ACCOUNTS, 1893-94.			REVISED ESTIMATE, 1894-95.			BUDGET ESTIMATE, 1895-96.		
	India.	England.	Total.	India.	England.	Total.	India.	England.	Total.
	Rx.	£.		*Rx.*	£.		*Rx.*	£.	
Revenue (from Statement A.)	90,246,041	193,454	90,439,495	94,783,800	202,000	94,985,800	96,610,800	171,000	96,781,800
Exchange added to Revenue	125,719	- -	125,719	168,300	- -	168,300	142,500	- -	142,500
Total	90,371,760	193,454	90,565,214	94,952,100	202,000	95,154,100	96,753,300	171,000	96,924,300
Permanent Debt incurred:									
Sterling Debt:									
3 per Cent. Stock	- -	1,300,000	- -	- -	6,000,000	—	—	—	—
3½ per Cent. Debentures	- -	1,386,000	—	—	—	—	—	—	—
Rupee Debt:									
Rupee Loan	3,499,113	—	—	—	—	—	—	—	—
Loan from Rampur State	220,000	—	—	—	—	—	—	—	—
Total	3,719,113	2,686,000	6,405,113	- -	6,000,000	6,000,000	—	—	—
Net	- -	- -	4,043,311	- -	- -	4,795,500	—	—	—
Temporary Debt incurred:									
Temporary Loans	- -	10,750,000	10,750,000	- -	3,000,000	3,000,000	- -	2,000,000	2,000,000
Net	- -	- -	6,000,000	—	—	—	—	—	—
Unfunded Debt:									
Treasury Notes	8,120	- -	- -	600	—	—	—	—	—
Deposits of Service Funds	142,155	- -	- -	145,400	- -	- -	150,900	—	—
Savings Bank Deposits	4,309,409	- -	- -	4,110,200	- -	- -	4,260,300	—	—
Total	4,459,684	- -	4,459,684	4,256,200	- -	4,256,200	4,411,200	- -	4,411,200
Net	- -	- -	559,960	- -	- -	360,000	- -	- -	522,300
Deposits and Advances:									
Balances of Provincial Allotments	100,777	- -	- -	55,100	—	—	—	—	—
Excluded Local Funds	842,238	- -	- -	816,300	- -	- -	788,000	—	—
Railway Funds	483,465	- -	- -	476,100	- -	- -	484,300	—	—
Deposits of Sinking Funds	10,124	- -	- -	10,700	- -	- -	68,700	—	—
Departmental and Judicial Deposits.	18,088,572	- -	- -	17,218,900	- -	- -	16,994,800	—	—
Advances	7,398,419	2,000	- -	2,997,200	3,200	- -	2,746,100	100	—
Suspense Accounts	175,397	- -	- -	62,700	- -	- -	12,100	—	—
Exchange on Remittance Accounts (net).	4,987,510	- -	- -	155,700	- -	- -	127,700	—	—
Miscellaneous	46,096	16	- -	1,250,000	300	—	—	—	—
Total	32,132,598	2,016	32,134,614	23,042,700	3,500	23,046,200	21,221,700	100	21,221,800
Net	- -	- -	4,344,848	- -	- -	925,600	- -	- -	0
Carried forward	130,683,155	13,631,470	- -	122,251,000	9,205,500	- -	122,386,200	2,171,100	—

of the GOVERNMENT OF INDIA, in INDIA and in ENGLAND.

	ACCOUNTS, 1893-94.			REVISED ESTIMATE, 1894-95.			BUDGET ESTIMATE, 1895-96.		
	India.	England.	TOTAL.	India.	England.	TOTAL.	India.	England.	TOTAL.
	Rx.	£.		*Rx.*	£.		*Rx.*	£.	
EXPENDITURE, IMPERIAL and PROVINCIAL (from Statement B.).	66,311,392	15,826,815	82,138,207	65,857,600	15,796,500	81,654,100	68,332,000	15,910,600	84,242,600
Exchange, charged as Expenditure	10,285,296	- -	10,285,296	13,163,700	- -	13,163,700	13,258,800	- -	13,258,800
Add,—Provincial Surpluses, transferred to "Deposits."	100,777	- -	100,777	55,100	- -	55,100	—	—	—
Deduct,—Provincial Deficits, charged against "Deposits."	*412,068*	- -	*412,068*	*709,300*	- -	*709,300*	*623,300*	- -	*623,300*
Total - - -	76,285,397	15,826,815	92,112,212	78,367,100	15,796,500	94,163,600	80,967,500	15,910,600	96,878,100
EXPENDITURE NOT CHARGED TO REVENUE.									
Capital Outlay on Railways and Irrigation Works.	2,424,962	725,084	- -	3,690,800	823,200	- -	2,842,400	849,600	—
Exchange on Expenditure not charged to Revenue.	471,206	- -	- -	686,000	- -	- -	708,000	—	—
Total - - -	2,896,168	725,084	3,621,252	4,376,800	823,200	5,200,000	3,550,400	849,600	4,400,000
PERMANENT DEBT DISCHARGED:									
Sterling Debt:									
India 5 per Cent. Stock -	- -	125	—	—	—	—	—	—	—
India 4 per Cent. Stock -	- -	1,890	- -	- -	4,800	—	—	—	—
India 3½ per Cent. Debentures	—	—	—	—	—	—	—	—	—
Oudh and Rohilkhund Railway Debentures.	- -	729,000	—	—	—	—	—	—	—
South Indian Railway Debentures.	- -	520,200	—	—	—	—	—	—	—
Rupee Debt:									
5½ per Cent. Loans - -	300	—	—	—	—	—	—	—	—
5 per Cent. Loans - -	107	—	—	—	—	—	—	—	—
4½ per Cent. Loans - -	1,109,907	- -	- -	200,000	- -	- -	20,000	—	—
4 per Cent. Loans - - -	157	- -	- -	1,000,000	- -	- -	870,000	—	—
Provincial Debentures - -	- -	- -	- -	100	—	—	—	—	—
Stock Notes - - - -	116	- -	- -	100	- -	- -	100	—	—
Total - - -	1,110,587	1,251,215	2,361,802	1,200,200	4,300	1,204,500	890,100	- -	890,100
Net - - -	- -	- -	0	- -	- -	0	- -	- -	890,100
TEMPORARY DEBT DISCHARGED:									
Temporary Loans - -	- -	4,750,000	4,750,000	- -	7,000,000	7,000,000	- -	2,000,000	2,000,000
Net - - -	- -	- -	0	- -	- -	4,000,000	- -	- -	0
UNFUNDED DEBT:									
Special Loans - - - -	409	- -	- -	200	—	—	—	—	—
Treasury Notes - - -	7,670	- -	- -	2,000	—	—	—	—	—
Deposits of Service Funds -	96,162	- -	- -	98,500	- -	- -	98,500	—	—
Savings Bank Deposits - -	3,795,483	- -	- -	3,795,500	- -	- -	3,790,400	—	—
Total - - -	3,899,724	- -	3,899,724	3,896,200	- -	3,896,200	3,888,900	- -	3,888,900
Net - - -	- -	- -	0	- -	- -	0	- -	- -	0
DEPOSITS AND ADVANCES:									
Balances of Provincial Allotments	412,068	- -	- -	709,300	- -	- -	623,300	—	—
Excluded Local Funds - -	858,799	- -	- -	797,100	- -	- -	796,500	—	—
Railway Funds - - -	439,896	- -	- -	577,800	- -	- -	484,300	—	—
Departmental and Judicial Deposits.	17,797,536	- -	- -	17,173,900	- -	- -	16,948,400	—	—
Advances - - - - -	7,913,171	854	- -	2,840,100	100	- -	2,557,700	1,400	—
Suspense Accounts - - -	52,385	- -	- -	22,300	- -	- -	22,900	—	—
Miscellaneous - - - -	314,829	228	- -	- -	- -	- -	610,500	—	—
Total - - -	27,788,684	1,082	27,789,766	22,120,500	100	22,120,600	22,043,600	1,400	22,045,000
Net - - -	- -	- -	0	- -	- -	0	- -	- -	823,200
Carried forward - - -	111,980,560	22,554,196	- -	109,960,800	23,624,100	- -	111,340,500	18,761,600	—

C.—STATEMENT of RECEIPTS and DISBURSEMENTS

	ACCOUNTS, 1893-94.			REVISED ESTIMATE, 1894-95.			BUDGET ESTIMATE, 1895-96.		
	India.	England.	TOTAL.	India.	England.	TOTAL.	India.	England.	TOTAL.
	Rx.	£.		*Rx.*	£.		*Rx.*	£.	
Brought forward - - -	130,683,155	13,631,470	- -	122,251,000	9,205,500	- -	122,386,200	2,171,100	—
Loans and Advances by Imperial Government.	1,156,880	- -	1,156,880	217,700	- -	217,700	114,000	- -	114,000
Net - - -	- -	- -	1,021,591	- -	- -	127,400	—	—	—
Loans and Advances by Provincial Governments.	357,965	- -	357,965	367,800	- -	367,800	345,100	- -	345,100
Net - - -	—	—	—	—	—	—	—	—	—
Capital Receipts from Railway Companies:									
On account of Subscribed Capital.	67,500	88,688	- -	- -	367,400	- -	—	3,308,500	—
Repayments - - - -	1,070,446	4,033	- -	1,044,800	3,900	- -	1,141,300	3,000	—
Total - - -	1,137,946	92,721	1,230,667	1,044,800	371,300	1,416,100	1,141,300	3,311,500	4,452,800
Net - - -	- -	- -	0	- -	- -	0	- -	- -	0
Remittances:									
Inland Money Orders - -	19,290,843	- -	- -	20,400,000	- -	- -	21,500,000	—	—
Other Local Remittances -	- -	- -	- -	400	—	—	—	—	—
Other Departmental Accounts	802,029	- -	- -	1,245,000	- -	- -	1,407,500	—	—
Net Receipts by Civil Treasuries from—									
Post Office - - - -	683,953	- -	- -	445,600	- -	- -	613,900	—	—
Telegraph - - - -	47,160	- -	- -	101,600	- -	- -	48,000	—	—
Guaranteed Railways - -	3,801,017	- -	- -	3,018,500	- -	- -	3,667,000	—	—
Public Works - - -	323,696	- -	- -	1,161,600	- -	- -	1,538,500	—	—
Net Receipts from Civil Treasuries by—									
Marine - - - - -	185,513	- -	- -	203,600	- -	- -	208,800	—	—
Military - - - - -	14,715,228	- -	- -	14,839,500	- -	- -	15,982,900	—	—
Remittance Account between England and India.	1,031,348	167,720	- -	1,073,700	177,800	- -	899,300	121,700	—
Total - - -	40,880,787	167,720	41,048,507	42,489,500	177,800	42,667,300	45,865,900	121,700	45,987,600
Net - - -	—	—	—	—	—	—	—	—	—
SECRETARY OF STATE'S BILLS DRAWN.	- -	9,530,235	9,530,235	- -	17,000,000	17,000,000	- -	17,000,000	17,000,000
TOTAL RECEIPTS - -	174,216,733	23,422,146	- -	166,370,800	26,754,600	- -	169,852,500	22,604,300	—
Opening Balance - -	15,271,756	2,268,388	- -	25,565,588	1,300,564	- -	22,679,488	2,446,164	—
GRAND TOTAL - -	189,488,489	25,690,534	- -	191,936,388	28,055,164	- -	192,531,988	25,050,464	—

Fort William, Finance and Commerce Department,
21 March 1895.

H. G. Cowie,
Deputy Comptroller General.

D.—ACCOUNT of PROVINCIAL and LOCAL SAVINGS charged to REVENUE, and held

PROVINCIAL AND

Note.—These Balances do not include the Balances

	India.	Central Provinces.	Burma.	Assam.
ACCOUNTS, 1893-94.	*Rx.*	*Rx.*	*Rx.*	*Rx.*
Balance at end of 1892-93 - - -	13,569	269,029	580,704	149,435
Added in 1893-94 - - - -	1,467	- - -	- - -	- - -
Spent in 1893-94 - - - - -	- - -	60,932	96,530	9,126
Balance at end of 1893-94 - -	15,036	208,097	484,174	140,309
REVISED ESTIMATE, 1894-95.				
Balance at end of 1893-94 (by Accounts)	15,036	208,097	484,174	140,309
Added in 1894-95 - - - -	300	- - -	- - -	- - -
Spent in 1894-95 - - - -	- - -	86,400	308,300	4,200
Balance at end of 1894-95 - -	15,336	121,697	175,874	136,109
BUDGET ESTIMATE, 1895-96.				
Balance at end of 1894-95 (by Revised Estimate).	15,336	121,697	175,874	136,109
Spent in 1895-96 - - - - -	400	300	67,100	58,400
Balance at end of 1895-96 - -	14,936	121,397	108,774	77,709

Fort William, Finance and Commerce Department,
21 March 1895.

H. G. Cowie.
Deputy Comptroller General.

of the GOVERNMENT OF INDIA, in INDIA and in ENGLAND—*continued*.

	ACCOUNTS, 1893-94.			REVISED ESTIMATE, 1894-95.			BUDGET ESTIMATE, 1895-96.		
	India.	England.	TOTAL.	India.	England.	TOTAL.	India.	England.	TOTAL.
	Rx.	£.		*Rx.*	£.		*Rx.*	£.	
Brought forward - - -	111,980,560	22,554,196	- -	109,960,800	23,624,100	- -	111,340,500	18,761,600	—
Loans and Advances by Imperial Government.	135,289	- -	135,289	90,300	- -	90,300	163,900	- -	163,900
Net - - -	- -	- -	0	- -	- -	0	- -	- -	49,900
Loans and Advances by Provincial Governments.	553,764	- -	553,764	645,300	- -	645,300	808,600	- -	808,600
Net - - -	- -	- -	195,799	- -	- -	277,500	- -	- -	463,500
Payments to Railway Companies on Capital Account:									
For discharge of Debentures	- -	- -	- -	- -	- -	- -	-	2,778,500	—
For Expenditure - -	1,194,509	747,624	- -	1,241,900	902,000	- -	1,338,100	955,200	—
Total - - -	1,194,509	747,624	1,942,133	1,241,900	902,000	2,143,900	1,338,100	3,733,700	5,071,800
Net - - -	- -	- -	711,466	- -	- -	727,800	- -	- -	619,000
Remittances:									
Inland Money Orders - -	19,294,478	- -	- -	20,400,000	- -	- -	21,500,000	—	—
Other Local Remittances -	68,521	—	—	—	—	—	—	—	—
Other Departmental Accounts	800,711	- -	- -	1,245,000	- -	- -	1,407,500	—	—
Net Payments into Civil Treasuries by—									
Post Office - - -	683,956	- -	- -	445,600	- -	- -	613,900	—	—
Telegraph - - - -	47,324	- -	- -	101,600	- -	- -	48,000	—	—
Guaranteed Railways -	3,801,017	- -	- -	3,018,500	- -	- -	3,667,000	—	—
Public Works - - -	363,768	- -	- -	1,361,600	- -	- -	1,538,500	—	—
Net Issues from Civil Treasuries to—									
Marine - - - - -	184,875	- -	- -	203,600	- -	- -	208,800	—	—
Military - - - - -	14,715,228	- -	- -	14,839,500	- -	- -	15,982,900	—	—
Remittance Account between England and India.	138,725	1,088,150	- -	170,900	1,082,900	- -	144,800	878,700	—
Total - - -	40,098,603	1,088,150	41,186,753	41,786,300	1,082,900	42,869,200	45,111,400	878,700	45,990,100
Net - - -	- -	- -	138,246	- -	- -	201,900	- -	- -	2,500
SECRETARY OF STATE'S BILLS PAID.	9,960,176	- -	9,960,176	15,532,300	- -	15,532,300	17,706,800	- -	17,706,800
TOTAL DISBURSEMENTS -	163,922,901	24,389,970	- -	169,256,900	25,609,000	- -	176,469,300	23,374,000	—
Closing Balance - -	25,565,588	1,300,564	- -	22,679,488	2,446,164	- -	16,062,688	1,676,464	—
GRAND TOTAL - - -	189,488,489	25,690,534	- -	191,936,388	28,055,164	- -	192,531,988	25,050,464	—

A. F. Cox,
Officiating Comptroller General.

Stephen Jacob,
Officiating Secretary to the Government of India.

at the disposal of PROVINCIAL GOVERNMENTS under their PROVINCIAL CONTRACTS.

LOCAL BALANCES.

of Deposits and Advances upon Local Fund Accounts.

Bengal.	North Western Provinces and Oudh.	Punjab.	Madras.	Bombay.	TOTAL.
Rx.	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*
390,975	607,197	365,161	875,825	754,659	4,006,554
46,448	- - -	- - -	- - -	52,862	100,777
- - -	4,652	17,675	223,153	- - -	412,068
437,423	602,545	347,486	652,672	807,521	3,695,263
437,423	602,545	347,486	652,672	807,521	3,695,263
54,800	- - -	- - -	- - -	- - -	55,100
- - -	168,700	21,600	17,500	102,600	709,300
492,223	433,845	325,886	635,172	704,921	3,041,063
492,223	433,845	325,886	635,172	704,921	3,041,063
45,500	148,300	42,100	143,700	117,500	623,300
446,723	285,545	283,786	491,472	587,421	2,417,763

A. F. Cox,
Officiating Comptroller General.

Stephen Jacob,
Officiating Secretary to the Government of India.

E.—STATEMENT of NET REVENUE and EXPENDITURE.—INDIA and ENGLAND.

OLD FORM.

NET REVENUE.

	ACCOUNTS, 1893–94.				
	Gross Revenue.	Refunds and Drawbacks.	Total, after deducting Refunds and Drawbacks.	Charges in respect of Collection.	Net Revenue.
	Rx.	*Rx.*	*Rx.*	*Rx.*	*Rx.*
Land Revenue	25,589,609	51,614	25,537,995	4,021,613	21,516,382
Opium	6,627,571	3	6,627,568	1,876,607	4,750,961
Salt	8,228,876	32,266	8,196,610	474,405	7,722,205
Stamps	4,509,351	52,446	4,456,905	156,562	4,300,343
Excise	5,388,573	35,396	5,353,177	193,375	5,159,802
Provincial Rates	3,514,571	11,467	3,503,104	53,809	3,449,295
Customs	1,682,373	45,313	1,637,060	143,736	1,493,324
Assessed Taxes	1,739,171	21,544	1,717,627	31,060	1,686,567
Forest	1,723,022	4,338	1,718,684	906,407	812,277
Registration	416,146	1,133	415,013	223,723	191,290
Tributes from Native States	774,337	500	773,837	- -	773,837
	60,193,600	256,020	59,937,580	8,081,297	51,856,283
Deduct,—Assignments and Compensations	- -	- -	- -	- -	*1,528,260*
TOTAL NET REVENUE	- -	- -	- -	- -	50,328,023

NET EXPENDITURE.

	ACCOUNTS, 1893–94.		
	Gross Expenditure.	Receipts.	Net Expenditure.
	Rx.	*Rx.*	*Rx.*
Interest	4,446,369	875,487	3,570,882
Post Office, Telegraph, and Mint	2,550,670	2,747,714	— 197,044
Civil Departments	14,637,840	1,631,302	13,006,538
Miscellaneous Civil Charges	5,646,877	999,149	4,647,728
Famine Relief and Insurance	1,117,801	- - -	1,117,801
Construction of Railways (charged against Revenue in addition to that under Famine Insurance).	73,903	- - -	73,903
Railway Revenue Account	21,832,476	20,296,973	1,535,503
Irrigation	2,862,567	2,296,409	566,158
Buildings and Roads	5,810,852	674,354	5,136,498
Army Services	23,253,597	850,226	22,403,371
Special Defence Works	324,974	- - -	324,974
	82,557,926	30,371,614	52,186,312
Provincial and Local Surpluses and Deficits	+ 100,777 — 412,068	- - -	— 311,291
TOTAL NET EXPENDITURE	- - -	- - -	51,875,021
Surplus (+) or deficit (—)	- - -	- - -	— 1,546,998
			50,328,023

Fort William, Finance and Commerce Department,
21 March 1895.

H. G. Cowie,
Deputy Comptroller General.

E.—STATEMENT of NET REVENUE and EXPENDITURE.—INDIA and ENGLAND.

NET REVENUE.

REVISED ESTIMATE, 1894–95.					BUDGET ESTIMATE, 1895–96.				
Gross Revenue.	Refunds and Drawbacks.	Total, after deducting Refunds and Drawbacks.	Charges in respect of Collection.	Net Revenue.	Gross Revenue.	Refunds and Drawbacks.	Total, after deducting Refunds and Drawbacks.	Charges in respect of Collection.	Net Revenue.
Rx.	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*
25,508,700	47,800	25,460,900	4,106,200	21,354,700	26,369,600	46,800	26,322,800	4,189,100	22,133,700
7,322,000	100	7,321,900	1,646,400	5,675,500	6,860,600	100	6,860,500	2,755,200	4,105,300
8,645,700	35,900	8,609,800	497,600	8,112,200	8,694,300	35,700	8,658,600	534,100	8,124,500
4,620,400	53,700	4,566,700	179,500	4,387,200	4,648,200	52,000	4,596,200	197,100	4,399,100
5,513,100	27,200	5,485,900	197,100	5,288,800	5,534,300	29,000	5,505,300	210,100	5,295,200
3,563,200	5,800	3,557,400	56,800	3,500,600	3,654,000	6,000	3,648,000	55,900	3,592,100
3,803,000	86,600	3,716,400	187,500	3,528,900	4,814,700	137,800	4,676,900	210,300	4,466,600
1,793,300	13,200	1,780,100	30,700	1,749,400	1,799,200	14,000	1,785,200	31,800	1,753,400
1,648,000	5,400	1,642,600	934,100	708,500	1,642,200	2,300	1,639,900	995,100	644,800
415,700	1,100	414,600	229,700	184,900	422,400	1,000	421,400	237,800	183,600
797,800	900	796,900	- -	796,900	789,500	- -	789,500	- -	789,500
63,630,900	277,700	63,353,200	8,065,600	55,287,600	65,229,000	324,700	64,904,300	9,416,500	55,487,800
- -	- -	- -	- -	*1,549,300*	- -	- -	- -	- -	*1,539,300*
- -	- -	- -	- -	53,738,300	- -	- -	- -	- -	53,948,500

NET EXPENDITURE.

REVISED ESTIMATE, 1894–95.			BUDGET ESTIMATE, 1895–96.		
Gross Expenditure.	Receipts.	Net Expenditure.	Gross Expenditure.	Receipts.	Net Expenditure.
Rx.	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*
5,079,300	818,500	4,260,800	4,115,500	805,100	3,310,400
2,491,600	2,667,400	— 175,800	2,657,500	2,781,000	— 123,500
14,902,400	1,602,800	13,299,600	15,379,500	1,630,200	13,749,300
6,097,700	1,110,200	4,987,500	6,103,700	953,900	5,149,800
51,500	- - -	51,500	55,000	- - -	55,000
20,100	- - -	20,100	9,400	- - -	9,400
23,629,400	21,212,300	2,417,100	23,685,000	21,536,800	2,148,200
2,981,800	2,435,600	546,200	3,050,500	2,484,300	566,200
5,352,500	681,800	4,670,700	5,817,000	652,400	5,164,600
24,134,300	994,600	23,139,700	25,193,100	851,600	24,341,500
184,600	- - -	184,600	154,700	- - -	154,700
84,925,200	31,523,200	53,402,000	86,220,900	31,695,300	54,525,600
+ 55,100 — 709,300	- - -	— 654,200	— 623,300	- - -	— 623,300
- - -	- - -	52,747,800	- - -	- - -	53,902,300
- - -	- - -	+ 990,500	- - -	- - -	+ 46,200
- - -	- - -	53,738,300	- - -	- - -	53,948,500

A. F. Cox,
Officiating Comptroller General.

Stephen Jacob,
Officiating Secretary to the Government of India.

E.—STATEMENT of Net Revenue and Expenditure.—India and England.—New Form.

Part I.—Income.

REVENUE.	Accounts, 1893-94.		Revised Estimate, 1894-95.		Budget Estimate, 1895-96.	
I.—Land Revenue, &c.:	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*
1. Land Revenue	25,537,995		25,460,900		26,322,800	
2. Forest	1,718,684		1,642,600		1,639,900	
3. Tributes from Native States.	773,837		796,900		789,500	
	28,030,516		27,900,400		28,752,200	
Deduct,—Assignments	*1,102,709*		*1,108,800*		*1,115,000*	
Net	- -	26,927,807	- -	26,791,600	- -	27,637,200
II.—Opium	6,627,568		7,321,900		6,860,500	
Deduct,—Assignments	*4,912*		*5,100*		*5,100*	
Net	- -	6,622,656	- -	7,316,800	- -	6,855,400
III.—Taxation:						
1. Salt	8,196,610		8,609,800		8,658,600	
2. Stamps	4,456,905		4,566,700		4,596,200	
3. Excise	5,353,177		5,485,900		5,505,300	
4. Provincial Rates	3,503,104		3,557,400		3,648,000	
5. Customs	1,637,060		3,716,400		4,676,900	
6. Assessed Taxes	1,717,627		1,780,100		1,785,200	
7. Registration	415,013		414,600		421,400	
	25,279,496		28,130,900		29,291,600	
Deduct,—Assignments	*420,639*		*435,400*		*419,200*	
Net	- -	24,858,857	- -	27,695,500	- -	28,872,400
IV.—Commercial Services (*i.e.*, Post Office, and Telegraph).	- -	60,769	- -	195,700	- -	119,600
V.—Miscellaneous Receipts (*i.e.*, Mint, Gain by Exchange and Miscellaneous).	- -	399,414	- -	348,500	- -	256,500
		58,869,503	- -	62,348,100	- -	63,741,100
Excess of Expenditure over Income.	- -	1,546,998	—	—	—	—
		60,416,501	- -	62,348,100	- -	63,741,100

E.—STATEMENT of NET REVENUE AND EXPENDITURE.—INDIA AND ENGLAND.—NEW FORM—*continued.*

PART II.—EXPENDITURE.

CHARGES.	Accounts, 1893-94.		Revised Estimate, 1894-95.		Budget Estimate, 1895-96.	
	Rx.	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*
I.—DEBT SERVICES	- -	3,570,882	- -	4,260,800	- -	3,310,400
II.—MILITARY SERVICES :						
1. Army	22,403,371		23,139,700		24,341,500	
2. Military Works	1,134,714		951,700		1,120,500	
3. Special Defence Works	324,974		184,600		154,700	
TOTAL	- -	23,863,059	- -	24,276,000	- -	25,616,700
III.—COLLECTION OF REVENUE :						
1. Land Revenue, including District Administration.	4,021,613		4,106,200		4,189,100	
2. Opium	1,876,607		1,646,400		2,755,200	
3. Forest	906,407		934,100		995,100	
4. Other Heads	1,276,670		1,378,900		1,477,100	
TOTAL	- -	8,081,297	- -	8,065,600	- -	9,416,500
IV.—COMMERCIAL SERVICES :						
1. Railway	1,535,503		2,417,100		2,148,200	
2. Irrigation	566,158		546,200		*566,200*	
TOTAL	- -	2,101,661	- -	2,963,300	- -	2,714,400
V.—CIVIL SERVICES :						
1. Civil Departments	13,006,538		13,299,600		13,749,300	
2. Miscellaneous Civil Charges.	4,910,867		5,355,900		5,402,400	
3. Famine Relief and Insurance.	1,117,801		51,500		55,000	
4. Construction of Railways (charged against Revenue in addition to that under Famine Insurance).	73,903		20,100		9,400	
5. Civil Works	4,001,784		3,719,000		4,044,100	
	23,110,893		22,446,100		23,260,200	
Add or *Deduct*,—						
Provincial Surplus or Deficit.	*311,291*		*654,200*		*623,800*	
TOTAL	- -	22,799,602	- -	21,791,900	- -	22,636,900
		60,416,501	- -	61,357,600	- -	63,694,900
Excess of Income over Expenditure.	- -	- -	- -	990,500	- -	46,200
		60,416,501	- -	62,348,100	- -	63,741,100

H. G. Cowie,
Deputy Comptroller General,

A. F. Cox,
Officiating Comptroller General.

Stephen Jacob,
Officiating Secretary to the Government of India.

Fort William, Finance and Commerce Department,
21 March 1895.

F.—STATEMENT of NET REVENUE and EXPENDITURE of the GOVERNMENT

PART I.—

REVENUE.	1883–84.	1884–85.	1885–86.	1886–87.	
I.—LAND REVENUE, &c.:	*Rx.*	*Rx.*	*Rx.*	*Rx.*	
1. Land Revenue	22,140,310	21,783,670	22,544,599	23,020,515	1
2. Forest	1,049,987	984,752	1,083,548	1,102,471	2
3. Tributes from Native States	720,487	699,017	689,575	695,415	3
	23,910,784	23,467,439	24,317,722	24,818,401	4
Deduct,—Assignments	*793,353*	*833,186*	*909,981*	1,004,811	5
Net	**23,117,431**	**22,634,253**	**23,407,741**	**23,813,590**	6
II.—OPIUM	9,555,790 (*a*)	8,816,080 (*a*)	8,942,299 (*a*)	8,942,908 (*a*)	7
Deduct,—Assignments	-	*300*	*300*	*300*	8
Net	**9,555,790**	**8,815,780**	**8,941,999**	**8,942,608**	9
III.—TAXATION:					
1. Salt	6,110,816	6,476,256	6,317,813	6,627,283	10
2. Stamps	3,473,929	3,561,517	3,617,725	3,705,786	11
3. Excise	3,806,483	3,985,446	4,126,037	4,336,430	12
4. Provincial Rates	2,868,044	2,785,264	2,954,715	2,993,011	13
5. Customs	1,156,103	1,004,998	1,167,570	1,218,175	14
6. Assessed Taxes	510,119	496,873	485,271	1,327,668	15
7. Registration	258,063	285,713	306,999	297,937	16
	18,183,557	18,596,067	18,976,130	20,506,290	17
Deduct,—Assignments	*445,487*	*441,956*	*486,256*	*441,826*	18
Net	**17,738,070**	**18,154,111**	**18,489,874**	**20,064,464**	19
IV.—COMMERCIAL SERVICES (*i.e.*, Post Office and Telegraph)	(*b*)	(*b*)	(*b*)	(*b*)	20
V.—MISCELLANEOUS RECEIPTS (*i.e.*, Mint, Gain by Exchange, and Miscellaneous)	**147,784**	**156,799**	**405,461**	**107,879**	21
	50,559,075	**49,760,943**	**51,245,075**	**52,928,541**	22
Excess of Expenditure over Income	-	386,446	2,801,726	-	23
	50,559,075	**50,147,389**	**54,046,801**	**52,928,541**	24

(*a*) Compensations to Native States, etc., are included under Assignments on account of Land Revenue, etc.
(*b*) In these years the Expenditure exceeded the Income.

OF INDIA in INDIA and in ENGLAND for the Ten Years from 1883–84 to 1892–93.

INCOME.

	1887–88.	1888–89.	1889–90.	1890–91.	1891–92.	1892–93.
	Rx.	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*
1	23,141,295	22,970,289	23,926,384	23,995,227	23,901,284	24,850,328
2	1,121,674	1,347,174	1,483,388	1,442,693	1,484,925	1,588,847
3	743,597	745,233	777,707	760,421	775,961	790,112
4	25,006,566	25,062,696	26,187,479	26,198,341	26,162,170	27,229,287
5	*1,020,901*	*1,032,141*	*1,037,100*	*1,031,355*	*1,061,590*	*1,127,898*
6	**23,985,665**	**24,030,555**	**25,150,379**	**25,166,986**	**25,100,580**	**26,101,389**
7	8,515,333	8,562,270	8,582,990	7,879,181	8,012,368	7,993,045
8	*1,676*	*1,669*	*31,349*	*4,762*	*4,740*	*9,633*
9	**8,513,657**	**8,560,601**	**8,551,641**	**7,874,419**	**8,007,628**	**7,983,412**
10	6,636,267	7,630,297	8,151,927	8,487,708	8,598,070	8,626,118
11	3,831,996	3,883,338	4,040,464	4,022,498	4,214,958	4,394,796
12	4,501,102	4,678,961	4,861,703	4,917,330	5,086,909	5,210,203
13	3,027,353	3,037,374	3,403,433	3,486,983	3,497,374	3,698,049
14	1,316,761	1,301,861	1,458,231	1,697,040	1,654,311	1,558,797
15	1,411,487	1,504,588	1,581,665	1,600,871	1,638,097	1,670,526
16	310,159	330,758	352,946	364,619	398,439	428,666
17	21,035,125	22,367,177	23,850,369	24,577,049	25,088,158	25,587,755
18	*446,386*	*452,425*	*475,999*	*473,975*	*465,530*	*430,245*
19	**20,588,739**	**21,914,752**	**23,374,370**	**24,103,074**	**24,622,628**	**25,157,510**
20	(*b*)	(*c*) **38,056**	(*c*) **35,510**	**22,813**	(*c*) **80,615**	(*c*) **62,670**
21	**986,652**	**1,072,624**	**686,122**	**435,143**	**279,989**	**398,901**
22	**54,074,713**	**55,616,588**	**57,798,022**	**57,602,435**	**58,091,440**	**59,703,882**
23	2,028,832	- - -	- - -	- - -	- - -	833,412
24	**56,103,545**	**55,616,588**	**57,798,022**	**57,602,435**	**58,091,440**	**60,537,294**

(c) Telegraph only.

F.—STATEMENT of Net Revenue and Expenditure of the Government of India

PART II.—

	1883-84.	1884-85.	1885-86.	1886-87.	
	Rx.	*Rx.*	*Rx.*	*Rx.*	
I.—DEBT SERVICES	3,667,206	3,907,848	3,631,879	3,639,855	
II.—MILITARY SERVICES:					
1. Army	17,155,473	16,148,633	19,133,907	18,540,039	1
2. Military Works	975,397	909,232	927,762	873,254	2
3. Special Defence Works	- - -	- - -	- - -	325,626	3
Total	18,130,870	17,057,865	20,061,669	19,738,919	4
III.—COLLECTION OF REVENUE:					
1. Land Revenue (including District Administration)	3,329,206	3,363,387	3,414,292	3,464,252	5
2. Opium	1,854,983	2,966,640	3,057,674	2,729,063	6
3. Forest	650,715	679,397	680,988	719,765	7
4. Other Heads	1,029,580	1,073,353	1,049,613	1,171,642	8
Total	6,864,484	8,082,777	8,202,567	8,084,722	9
IV.—COMMERCIAL SERVICES:					
1. Post Office and Telegraph	410,825	441,207	433,795	217,702	10
2. Railways	305,239	1,051,751	731,713	1,188,668	11
3. Irrigation	548,175	573,017	715,469	653,949	12
Total	1,264,239	2,065,975	1,880,977	2,060,319	13
V.—CIVIL SERVICES:					
1. Civil Departments	9,933,805	10,370,023	10,816,283	11,236,858	14
2. Miscellaneous Civil Charges	3,053,668	3,655,039	3,855,556	3,860,740	15
3. Famine Relief and Insurance	1,522,813	1,548,357	1,500,000	309,020	16
4. Construction of Railways (charged against Revenue in addition to that under Famine Insurance)	(c) *—176,295*	263,501	632,055	183,077	17
5. Civil Works	4,283,257	3,484,948	2,941,933	3,600,939	18
	19,217,248	19,321,868	19,745,827	19,190,634	19
Add or *Deduct*—Provincial Surplus or Deficit	*464,679*	*288,944*	523,882	35,665	20
Total	18,752,569	19,032,924	20,269,709	19,226,299	21
	48,679,368	50,147,389	54,046,801	52,750,114	22
Excess of Income over Expenditure	1,879,707	- - -	- - -	178,427	23
	50,559,075	50,147,389	54,046,801	52,928,541	24

Fort William, Finance and Commerce Department,
21 March 1895.

in India and in England for the Ten Years from 1883-84 to 1892-93—*continued.*

EXPENDITURE.

	1887-88.	1888-89.	1889-90.	1890-91	1891-92.	1892-93.
	Rx. 4,695,199	*Rx.* 3,870,437	*Rx.* 3,367,762	*Rx.* 3,264,254	*Rx.* 3,435,733	*Rx.* 3,504,536
1	19,357,119	19,239,478	19,733,107	19,904,433	21,500,197	22,554,791
2	1,191,647	1,065,662	1,094,944	1,176,631	1,164,724	1,151,525
3	456,017	789,595	689,481	491,837	604,848	458,060
4	**21,004,783**	**21,094,735**	**21,517,532**	**21,572,901**	**23,269,769**	**24,164,376**
5	3,486,085	3,513,957	3,624,194	3,676,596	3,835,126	3,936,345
6	2,424,575	2,597,905	1,605,107	2,180,797	1,861,813	1,602,496
7	719,794	792,000	780,035	784,113	843,926	865,225
8	1,114,164	1,119,181	1,114,892	1,148,754	1,220,084	1,232,564
9	**7,745,218**	**8,023,043**	**7,124,228**	**7,790,260**	**7,760,949**	**7,636,630**
		(*b*)	(*b*)		(*b*)	(*b*)
10	183,746	60,912	75,372	(*a*)	47,004	29,670
11	2,122,386	2,233,392	1,852,601	687,291	315,864	1,847,052
12	747,372	722,246	661,629	569,550	672,979	521,577
13	**3,053,504**	**3,016,550**	**2,589,602**	**1,256,841**	**1,035,847**	**2,398,299**
14	11,410,622	11,505,582	11,679,034	11,774,192	12,197,685	12,652,036
15	3,984,211	4,043,051	4,087,014	3,954,268	4,316,390	4,861,419
16	91,408	78,336	600,000	600,000	1,268,319	1,116,103
				(*c*)		
17	80,945	22,401	4,974	*—4,842*	163,233	339,487
18	3,667,064	3,640,317	3,666,847	3,904,987	4,416,904	4,041,767
19	19,234,250	19,289,687	20,037,859	20,228,635	22,362,531	23,010,812
20	370,591	285,118	548,996	*198,627*	*240,924*	*177,359*
21	**19,604,841**	**19,574,805**	**20,586,865**	**20,030,008**	**22,121,607**	**22,833,453**
22	**56,103,545**	**55,579,570**	**55,185,989**	**53,914,264**	**57,623,905**	**60,537,294**
23	- - -	37,018	2,612,033	3,688,171	467,535	- - -
24	**56,103,545**	**55,616,588**	**57,798,022**	**57,602,435**	**58,091,440**	**60,537,294**

(*a*) This year the Income exceeded the Expenditure. (*b*) Post Office only. (*c*) Refund of past Expenditure.

H. G. Cowie,
Deputy Comptroller General.

A. F. Cox,
Officiating Comptroller General.

Stephen Jacob,
Officiating Secretary to the Government of India.

APPENDIX II.

COMMERCIAL AND FINANCIAL STATISTICS.

TABLE I.—MISCELLANEOUS.

	1886-87.	1887-88.	1888-89.	
Recorded Revenue compared with the recorded Expenditure, excluding Capital Expenditure on Public Works not charged against Revenue:				
Surplus	*Rx.* 178,427		37,018	1
Deficit		2,028,832		2
Capital Expenditure on Public Works not charged against Revenue.*	„ 5,670,484	2,784,824	1,638,001	3
Capital Charge involved in Redemption of Liabilities	£. 4,914,546		10,336,049	4
Net Public Debt incurred	*Rx.* 9,727,538	5,435,799	13,487,881	5
Net Public Debt incurred, including Capital transactions with Guaranteed Railways, and other Companies.	„ 9,043,165	4,861,672	9,456,342	6
Value of commodities exported, excluding Gold and Silver	*Rx.* 88,470,000	90,544,000	97,049,000	7
Value of commodities imported, excluding Gold and Silver	„ 61,777,000	65,005,000	69,440,000	8
Excess of Exports over Imports, excluding Gold and Silver	„ 26,693,000	25,539,000	27,609,000	9
Net Imports of Gold	„ 2,177,000	2,992,000	2,814,000	10
Net Imports of Silver	„ 7,156,000	9,229,000	9,247,000	11
TOTAL Net Imports of Gold and Silver	„ 9,333,000	12,221,000	12,061,000	12
Excess of Exports over Imports, including Gold and Silver	„ 17,360,000	13,318,000	15,548,000	13
Grand Total Value of Imports and Exports of all kinds	„ 163,021,000	170,979,000	182,119,000	14
Secretary of State's Bills sold	*Rs.* 16,70,03,150	21,81,23,993	20,89,91,221	15
Sterling equivalent received	£. 12,136,279	15,358,577	14,262,859	16
Silver coined at the Indian Mints	*Rx.* 4,616,537	10,788,425	7,282,255	17
Maximum price in pence of an oz. Troy standard silver in London	*d.* 47⅛ (Jan.)	45⅛ (Dec.)	44 3/16 (Sept.)	18
Minimum - - ditto - - ditto	„ 42 (Aug.)	43 (Mar.)	41¾ (May)	19
Average exchange upon Secretary of State's Bills sold per rupee.	1*s.* 5·441*d.*	1*s.* 4·899*d.*	1*s.* 4·379*d.*	20
Fixed rate of exchange for the adjustment of transactions between the Indian and Imperial Treasuries.	1*s.* 6¼*d.*	1*s.* 6*d.*	1*s.* 5*d.*	21
Maximum rate of discount on Loans on demand at the Bank of Bengal, Calcutta.	8 (June, July, Feb., and March.)	9 (April and May)	12 (Feb. & Mar.)	22
Minimum - - ditto - - ditto	5 (Nov., Dec., & Jan.)	3 (Oct. to Dec.)	4 (May to Sept.)	23
Maximum rate of discount at the Bank of England	5 (Dec. and Jan.)	4 (Sept. to Jan.)	5 (Oct. to Jan.)	24
Minimum - - ditto - - ditto	2 (April & May)	2 (April to Aug.)	2 (April & May)	25
Maximum Government Balances at the three Presidency Banks.	*Rx.* 4,594,600 (June)	3,595,900 (Feb.)	4,385,500 (June)	26
Minimum - - ditto - - ditto	„ 3,296,500 (Sept.)	2,861,500 (Dec.)	2,791,900 (Nov.)	27
Maximum price in Calcutta of Government 4 per Cent. Rupee Securities.	98-2 (Sept.)	100 (Oct.)	101-1 (Sept.)	28
Minimum - - ditto - - ditto	95-0 (Feb.)	95-4 (April)	96-6 (Jan.)	29
Maximum amount outstanding on London Register of Rupee Securities enfaced for Interest Drafts.	*Rx.* 19,707,100 (Oct.)	20,812,800 (March)	21,701,500 (March)	30
Minimum - - ditto - - ditto	„ 19,053,000 (Mar.)	18,916,800 (Oct.)	19,278,500 (May)	31
Maximum price in London of 4 per Cent. (Rupee) Securities, in gold.	73½ (Nov.)	70⅞ (Sept.)	69¼ (Sept.)	32
Minimum - - ditto - - ditto	65⅛ (Aug.)	67 (April)	65⅛ (May)	33
Maximum price in London of India 3½ per Cent. Stock	102 (May)	108 (Mar.)	108¾ (Mar.)	34
Minimum - - ditto - - ditto	100¼ (Sept.)	100½ (Sept.)	104 (Oct.)	35
Maximum price in London of India 3 per Cent. Stock	90 (April)	99⅜ (Mar.)	100⅜ (Feb.)	36
Minimum - - ditto - - ditto	85 (Feb.)	87¾ (April)	96 (May)	37
Maximum Government Paper Currency outstanding	*Rx.* 14,678,200 (Nov.)	18,610,300 (Nov.)	18,055,300 (July)	38
Minimum - - ditto - - ditto	„ 13,779,400 (April)	13,903,200 (May)	14,829,800 (Feb.)	39
Number of Savings Banks	6,230	6,152	6,237	40
Number of Depositors in Savings Banks	289,090	331,867	383,267	41
Amount deposited in Savings Banks	*Rx.* 5,795,240	6,675,571	7,622,544	42
Average of each deposit	„ 20	20	20	43
Net addition to deposits	„ 714,066	880,322	946,973	44

* Excludes Capital charge involved in redemption of Liabilities.

APPENDIX II.

COMMERCIAL AND FINANCIAL STATISTICS.

TABLE I.—MISCELLANEOUS.

	1889-90.	1890-91.	1891-92.	1892-93.	1893-94.	Revised Estimate. 1894-95.	Budget. 1895-96.
1	2,612,033	3,688,171	467,535	- - -	- - -	900,500	46,200
2	- - -	- - -	- - -	833,412	1,546,908	—	—
3	3,173,390	3,365,632	3,500,000	3,986,290	3,621,252	5,200,000	4,400,000
4	- -	4,692,557	—	—	—	—	—
5	5,129,018	6,293,714	3,038,293	—376,405	4,043,311	4,795,500	—890,100
6	3,913,426	3,639,498	1,891,901	315,875	3,331,845	4,067,700	—1,509,100
7	103,460,000	100,227,000	108,173,000	106,595,000	106,503,000	—	—
8	69,197,600	71,975,000	69,432,000	66,265,000	77,021,000	—	—
9	34,263,000	28,252,000	38,741,000	40,330,000	29,482,000	—	—
10	4,615,000	5,636,000	2,414,000	—2,813,000	641,000	—	—
11	10,938,000	14,175,000	9,022,000	12,864,000	13,720,000	—	—
12	15,553,000	19,811,000	11,436,000	10,051,000	14,361,000	—	—
13	18,710,000	8,441,000	27,305,000	30,279,000	15,121,000	—	—
14	192,024,000	196,260,000	195,615,000	196,829,000	206,086,000	—	—
15	22,41,86,638	21,18,69,300	23,08,28,115	26,47,84,151	15,72,36,031	31,16,67,000	31,16,67,000
16	15,474,496	15,969,034	16,093,854	16,532,215	9,530,235	17,000,000	17,000,000
17	8,541,158	13,193,473	5,553,970	12,611,528	4,902,499	—	—
18	44$\frac{7}{8}$ (Jan.)	54$\frac{5}{8}$ (Sept.)	46$\frac{3}{8}$ (July)	41$\frac{1}{16}$ (June)	38$\frac{3}{4}$ (June)	30$\frac{1}{2}$ (Aug.)	—
19	41$\frac{15}{16}$ (May)	43$\frac{7}{8}$ (April)	39 (Mar.)	37$\frac{1}{16}$ (Mar.)	27 (Mar.)	27$\frac{3}{16}$ (Dec. & Jan.)	—
20	1*s.* 4·566*d.*	1*s.* 6·089*d.*	1*s.* 4·733*d.*	1*s.* 2·985*d.*	1*s.* 2·547*d.*	1*s.* 1·091*d.*	1*s.* 1·091*d.*
21	1*s.* 4$\frac{1}{2}$*d.*	1*s.* 5*d.*	1*s.* 6$\frac{1}{2}$*d.*	1*s.* 4$\frac{3}{4}$*d.*	1*s.* 2$\frac{3}{4}$*d.*	1*s.* 3$\frac{1}{4}$*d.* for 1st quarter & 1*s.* 1$\frac{1}{4}$*d.* for the last three quarters.	1*s.* 1$\frac{1}{4}$*d.*
22	11 (Feb. and Mar.)	12 (April)	5 (Jan. — Mar.)	6 (Jan.)	10 (Feb.)	9 (April)	—
23	4 (June, July & Oct.)	3 (Aug. to Feb.)	2 (Aug. and Sept.)	3 (May to Dec.)	4 (June 29 to Nov. 15) & (Nov. 30 to Jan. 10.)	3 (Sept. to Dec.)	—
24	6 (Jan. and Feb.)	6 (Nov.)	5 (May and June)	3 (April, Oct., Nov., Dec. and Jan.)	5 (Aug. & Sept.)	2	—
25	2$\frac{1}{2}$ (April & July)	3 (April, May, June, Feb., and March).	2$\frac{1}{2}$ (July, Aug., and Sept.)	2 (May to Oct.)	2 (Feb. & Mar.)	2	—
26	4,446,400 (March)	4,083,800 (June)	4,743,700 (June)	4,123,600 (May)	3,685,400 (June)	4,292,000 (Jan.)	—
27	2,856,900 (Nov.)	2,937,300 (Oct.)	2,871,600 (Oct.)	2,751,900 (Nov.)	3,016,400 (Nov.)	3,165,700 (Nov.)	—
28	100-10 (July)	106-6 (Jan.)	108-4 (June)	109-2 (May)	108-12 (June)	105-2 (June)	—
29	96-3 (Jan.)	99-7 (April)	104-10 (Feb.)	103-7 (Sept.)	99-4 (Feb.)	100 (Sept. to Nov.)	—
30	21,962,100 (Nov.)	26,724,500 (Mar.)	27,921,500 (Feb.)	27,256,600 (April)	25,978,300 (July)	—	—
31	21,586,900 (March)	21,498,900 (April)	26,531,900 (Aug.)	25,927,100 (Mar.)	24,127,500 (Mar.)	—	—
32	70$\frac{1}{8}$ (Jan.)	90$\frac{1}{4}$ (Aug.)	78$\frac{7}{8}$ (July)	70$\frac{5}{8}$ (June)	71 (June)	59$\frac{7}{8}$ (Aug.)	—
33	66$\frac{1}{2}$ (Sept.)	70$\frac{1}{4}$ (April)	66$\frac{3}{8}$ (Mar.)	62$\frac{9}{16}$ (Aug.)	56$\frac{7}{16}$ (Feb.)	53$\frac{1}{16}$ (May)	—
34	109$\frac{3}{4}$ (May)	110 (Feb.)	108$\frac{3}{4}$ (April)	110 (Mar.)	110$\frac{1}{8}$ (April)	115$\frac{3}{8}$ (Jan.)	—
35	106$\frac{3}{8}$ (Dec.)	104$\frac{3}{4}$ (Nov.)	103$\frac{1}{8}$ (June)	105 (Aug.)	106$\frac{3}{4}$ (Sept.)	108$\frac{1}{4}$ (June)	—
36	102 (Aug.)	100$\frac{5}{8}$ (April)	97$\frac{3}{4}$ (April)	100$\frac{1}{4}$ (Mar.)	100$\frac{1}{2}$ (April)	105 (Jan.)	—
37	99 (April)	94$\frac{3}{8}$ (Nov.)	93 (June)	95 (Aug.)	97 (Sept.)	98$\frac{3}{4}$ (June)	—
38	16,667,800 (Nov.)	27,660,300 (Jan.)	27,040,700 (July)	29,065,000 (Aug.)	30,505,900 (Jan.)	32,355,400 (Nov.)	—
39	15,466,500 (Dec.)	17,419,600 (April)	22,624,200 (Jan.)	23,958,100 (Apl.)	24,216,000 (April)	29,500,000 (Jan.)	—
40	6,546	6,642	6,612	6,594	6,544	—	—
41	431,805	475,329	528,752	588,477	644,658	—	—
42	7,531,868	8,062,241	8,886,372	9,774,819	10,322,430	—	—
43	18	17	17	17	16	—	—
44	—90,676	530,373	824,131	888,447	547,775	—	—

APPENDIX II.—*continued.*

COMMERCIAL AND FINANCIAL STATISTICS.

TABLE II.—SEA-BORNE TRADE for the YEAR. (Principal ARTICLES arranged in order of their DECLARED VALUE.)

No.	EXPORTS.		1889-90.	1890-91.	1891-92.	1892-93.	1893-94.
1	Cotton—						
	Raw:						
	Quantity	*Cwt.*	6,320,342	5,913,923	4,424,947	4,789,201	4,788,888
	Value	*Rx.*	18,668,404	16,502,775	10,754,312	12,743,679	13,296,670
	Average declared value per lb. *Annas*		4 3	4 –	3 6	3 10	4 –
	Average declared value per lb. *Pence, at average exchange*		4·4	4·52	3·66	3·59	3·64
	Twist and Yarn:						
	Quantity	*Lbs.*	141,949,951	169,275,304	161,253,234	189,174,726	134,066,243
	Value	*Rx.*	5,748,732	6,543,364	5,771,033	6,773,482	4,974,133
	Average declared value per lb.	*Annas*	6 6	6 2	5 9	5 9	5 11
	Other Manufactures:						
	Value	*Rx.*	1,005,011	1,159,275	1,264,003	1,327,175	1,268,425
	Average declared value per yard Grey or unbleached	*Annas*	1 9	1 10	1 10	1 10	1 11
	Average declared value per yard Coloured, printed, or dyed	„	4 6	4 8	4 7	4 5	5 1
	Percentage of manufactures on whole value exported		26·57	31·82	39·55	38·86	31·95
2	Seeds:						
	Quantity	*Cwt.*	15,794,742	14,798,999	19,164,522	16,509,161	24,229,341
	Value	*Rx.*	10,627,553	9,343,252	12,208,458	11,631,015	16,753,251
	Average declared value of linseed, per cwt. *Rupees*		6 10 –	6 2 9	6 4 -	7 1 1	7 5 3
	Average declared value of linseed, per cwt. *Shillings, at average exchange*		9·15	9·3	8·71	8·83	8·88
3	Jute:						
	Raw and manufactured—Value	*Rx.*	11,431,103	10,083,972	9,361,594	11,182,217	11,965,917
	Average declared value of raw jute per cwt. *Rupees*		8 6 9	6 5 6	8 – 5	7 8 7	9 12 11
	Average declared value of raw jute per cwt. *Shillings, at average exchange*		11·63	9·56	11·19	9·41	11·89
	Percentage of manufactures on whole value exported		24·42	24·61	26·84	28·96	28·76
4	Rice and Paddy:						
	Quantity	*Cwt.*	27,098,906	34,963,341	33,166,929	27,938,325	24,647,907
	Value	*Rx.*	10,110,482	12,877,740	13,385,971	12,406,719	10,384,739
	Average declared value of husked rice, per cwt. *Rupees*		3 12 1	3 11 3	4 1 –	4 7 8	4 4 3
	Average declared value of husked rice, per cwt. *Shillings, at average exchange*		5·18	5·58	5·66	5·59	5·17
5	Opium:						
	Quantity	*Chests*	85,166	85,753	87,558	75,384	70,841
	Value	*Rx.*	10,115,936	9,261,815	9,562,261	9,255,014	8,019,428
	Average declared value per chest	*Rupees*	1,188	1,080	1,092	1,228	1,132
6	Tea:						
	Quantity	*Lbs.*	103,760,104	107,014,993	120,149,407	114,722,447	126,332,475
	Value	*Rx.*	5,277,650	5,219,233	5,968,129	6,292,348	6,585,835
	Average declared value per lb. *Annas*		8 2	7 10	7 11	8 9	8 4
	Average declared value per lb. *Shillings, at average exchange*		·7	·74	·69	·68	·63
7	Hides and Skins:						
	Quantity	*No.*	30,955,168	32,733,651	35,862,345	37,425,517	36,215,661
	Value	*Rx.*	4,524,261	4,695,919	5,186,002	5,591,935	5,801,328
	Percentage of dressed or manufactured on whole value exported		55·79	53·99	54·36	52·82	55·74
8	Wheat:						
	Quantity	*Cwt.*	13,799,224	14,320,496	30,303,425	14,973,453	12,156,551
	Value	*Rx.*	5,791,377	6,042,426	14,380,462	7,440,383	5,193,885
	Average declared value per cwt. *Rupees*		4 3 2	4 3 6	4 11 11	4 15 6	4 4 4
	Average declared value per cwt. *Shillings, at average exchange*		5·8	6·36	6·62	6·2	5·18
9	Indigo:						
	Quantity	*Cwt.*	157,116	118,425	125,327	126,703	131,399
	Value	*Rx.*	3,863,084	3,073,125	3,214,076	4,141,179	4,182,128
	Average declared value per cwt. *Rupees*		245 14 –	259 8 –	256 7 3	326 13 6	318 4 5
	Average declared value per cwt. *Sterling, at average exchange*	£.	16·97	19·56	17·88	20·41	19·29
10	Coffee:						
	Quantity	*Cwt.*	239,795	233,451	311,864	296,687	278,735
	Value	*Rx.*	1,489,872	1,454,985	1,998,659	2,066,862	2,002,171
	Average declared value per cwt. *Rupees*		62 2 1	62 5 2	64 1 5	69 10 8	71 13 3
	Average declared value per cwt. *Shillings, at average exchange*		85·77	93·95	89·37	87·	87·07
11	Wool:						
	Raw and manufactured—Value	*Rx.*	1,211,438	1,072,489	1,108,653	1,236,658	1,226,434
	Average declared value of raw wool per lb. *Annas*		7 3	7 3	7 3	7 3	7 1
	Average declared value of raw wool per lb. *Pence, at average exchange*		7·51	8·2	7·58	6·79	6·44
12	Lac:						
	Value	*Rx.*	489,380	781,945	751,474	784,950	960,330
13	Silk:						
	Raw and manufactured—Value	*Rx.*	900,539	724,249	702,584	814,752	940,516
	Average declared value of raw silk per lb. *Rupees*		3 1 –	2 15 4	3 1 11	3 6 3	3 15 1
	Average declared value of raw silk per lb. *Shillings, at average exchange*		4·23	4·46	4·35	4·23	4·78
14	Sugar:						
	Value	*Rx.*	917,179	417,562	508,417	507,914	892,741
15	Oils:						
	Value	*Rx.*	555,007	563,784	604,046	633,626	535,881
16	Teak Wood:						
	Quantity	*Cubic Tons*	71,342	42,803	48,190	58,350	45,964
	Value	*Rx.*	762,998	425,303	474,852	570,102	457,447
	Average declared value per cubic ton *Rupees*		106 15 2	99 5 10	98 8 7	97 11 3	99 8 4
	Average declared value per cubic ton *Sterling, at average exchange*	£.	7·38	7·49	6·87	6·1	6·03
17	Saltpetre:						
	Quantity	*Cwt.*	422,229	399,690	389,185	443,931	321,933
	Value	*Rx.*	411,276	380,059	365,618	438,940	338,102
	Average declared value per cwt. *Rupees*		9 11 10	9 8 2	9 6 4	9 14 2	10 8 –
	Average declared value per cwt. *Shillings, at average exchange*		13·45	14·34	13·1	12·34	12·73

APPENDIX II.—*continued.*

TABLE II.—SEA-BORNE TRADE for the Year, &c.—*continued.*

No.	IMPORTS.		1889-90.	1890-91.	1891-92.	1892-93.	1893-94.
1	Cotton—						
	Twist and Yarn:						
	Quantity	*Lbs.*	46,383,843	50,973,105	50,410,630	38,296,716	42,824,221
	Value	*Rx.*	3,482,747	3,768,505	3,514,763	2,684,963	3,110,069
	Average declared value per lb. *Annas*		12·01	11·83	11·16	11·22	11·62
	Average declared value per lb. *Pence, at average exchange*		12·43	13·37	11·67	10·51	10·56
	Other Manufactures:						
	Value	*Rx.*	26,398,597	27,248,395	25,180,682	22,974,002	29,297,739
	TOTAL COTTON GOODS—Gross Imports	*Rx.*	29,881,344	31,016,900	28,695,445	25,658,965	32,407,808
	Re-exports—						
	Twist and Yarn:						
	Quantity	*Lbs.*	*1,270,444*	*1,243,350*	*1,648,822*	*1,357,055*	*1,108,901*
	Value	*Rx.*	*91,382*	*83,801*	*113,665*	*90,822*	*79,906*
	Other Manufactures: *Value*	*Rx.*	*1,728,358*	*1,710,493*	*1,817,165*	*1,732,879*	*1,645,931*
	Total Re-exports	*Rx.*	*1,819,740*	*1,794,294*	*1,930,830*	*1,823,701*	*1,725,597*
	TOTAL COTTON GOODS—Net Imports	*Rx.*	28,061,604	29,222,606	26,764,615	23,835,264	30,681,011
2	Metals	*Value Rx.*	5,983,709	6,024,466	6,033,543	5,815,867	6,727,725
3	Oils	,,	2,645,213	2,634,187	2,635,955	2,919,162	3,570,188
4	Silk (Raw and Manufactured)	,,	2,845,159	2,501,430	3,014,698	2,817,651	3,188,053
5	Sugar	,,	2,200,049	3,399,886	2,561,996	2,625,683	2,824,190
6	Machinery and Millwork	,,	2,491,428	2,160,483	2,180,019	2,477,835	2,607,028
7	Railway Plant and Rolling Stock	,,	2,907,086	3,236,786	2,505,471	2,321,989	2,334,563
8	Woollen Manufactures	,,	1,597,549	1,952,600	1,874,806	1,674,088	2,028,427
9	Provisions	,,	1,506,565	1,476,070	1,771,703	1,862,055	1,782,868
10	Liquors	,,	1,489,121	1,438,081	1,449,411	1,447,267	1,458,383
11	Apparel	,,	1,200,020	1,235,804	1,274,497	1,272,203	1,444,869
12	Coal (excluding Coke and Patent Fuel):						
	Quantity	*Tons*	609,218	799,140	759,709	681,997	576,645
	Value	*Rx.*	1,304,591	1,551,667	1,269,777	1,181,606	992,953
	Average declared value per ton *Rupees*		21·41	19·42	16·71	17·33	17·22
	Average declared value per ton *Shillings, at average exchange*		29·56	29·27	23·3	21·64	20·87
13	Spices	*Value Rx.*	852,350	813,115	797,196	623,633	873,655
14	Salt:						
	Quantity	*Tons*	410,808	395,243	373,953	360,042	412,876
	Value	*Rx.*	894,532	779,034	627,953	576,694	791,067
	Average declared value per ton - *Rupees*		21·77	19·71	16·79	16·02	19·16
	Average declared value per ton - *Shillings, at average exchange*		30·05	29·71	23·41	20·	23·23

TABLE III.—SEA-BORNE TRADE for the first ELEVEN MONTHS of the Year. (Principal ARTICLES arranged in order of their DECLARED VALUE.)

	1890-91.	1891-92.	1892-93.	1893-94.	1894-95.
	Rx.	*Rx.*	*Rx.*	*Rx.*	*Rx.*
Value of commodities Exported, excluding gold and silver	89,726,199	97,121,568	94,651,294	95,582,500	99,209,360
Value of commodities Imported, excluding gold and silver	65,893,996	63,228,773	60,227,814	70,232,959	67,331,684
EXCESS EXPORTS *Rx.*	23,832,203	33,892,795	34,423,480	25,329,541	31,967,676
Net Imports of silver	13,256,180	6,757,530	11,773,557	12,718,816	5,576,723
Net Imports of gold	5,289,211	2,761,390	—2,964,982	961,433	—4,908,362
TOTAL NET IMPORTS of Gold and Silver *Rx.*	18,545,391	9,518,920	8,808,575	13,680,249	668,361
GRAND TOTAL IMPORTS AND EXPORTS OF ALL KINDS *Rx.*	178,052,317	175,181,058	177,219,520	186,413,171	182,924,949

APPENDIX II.—*continued.*

TABLE III.—SEA-BORNE TRADE for the first Eleven Months of the Year, &c.—*continued.*

No.	EXPORTS.	ELEVEN MONTHS, 1ST APRIL TO THE END OF FEBRUARY.				
		1890-91.	1891-92.	1892-93.	1893-94.	1894-95.
1	Cotton, Raw :					
	Quantity - - - - - *Cwt.*	5,014,020	3,736,951	4,177,229	4,007,902	3,076,555
	Value - - - - - - *Rx.*	14,104,585	9,170,455	10,679,691	11,170,486	7,980,650
	Average value per lb. - - - R.	- 4 -	- 3 6	- 3 8	- 4 -	- 3 8
	Cotton Manufactures—					
	Twist and Yarn :					
	Quantity - - - - *Lbs.*	155,991,420	148,139,276	172,295,305	118,069,436	145,449,400
	Value - - - - - - *Rx.*	6,065,325	5,342,604	6,101,487	4,392,476	5,197,559
	Average value per lb. - - R.	- 6 3	- 5 9	- 5 8	- 5 11	- 5 9
	Other Manufactures - *Value Rx.*	1,057,389	1,121,810	1,210,580	1,136,754	1,356,497
	TOTAL COTTON (Raw and Manufactured) Value *Rx.*	21,227,299	15,634,869	17,991,758	16,699,716	14,534,697
2	Jute (Raw and Manufactured) *Value Rx.*	9,272,242	8,843,939	10,339,638	11,024,686	13,609,946
3	Seeds :					
	Quantity - - - - - *Cwt.*	13,340,316	17,331,454	14,302,375	21,898,776	19,626,362
	Value - - - - - - *Rx.*	8,410,665	10,963,820	9,948,101	15,211,900	13,349,724
	Average value per cwt. - - R.	6 4 11	6 5 3	6 15 3	6 15 2	6 12 10
4	Rice and Paddy :					
	Quantity - - - - - *Cwt.*	28,562,506	27,020,659	21,787,509	20,024,783	27,876,294
	Value - - - - - - *Rx.*	10,679,965	10,967,914	9,999,037	8,714,628	11,432,551
	Average value per cwt. - - R.	3 11 10	4 - 11	4 9 5	4 5 8	4 1 7
5	Opium :					
	Quantity - - - - *Chests*	79,747	80,924	70,201	66,455	65,432
	Value - - - - - - *Rx.*	8,632,376	8,783,417	8,593,894	7,541,865	8,617,608
	Average value per chest - - R.	1,082 7 6	1,085 6 3	1,224 2 11	1,134 14 2	1,317 0 6
6	Tea :					
	Quantity - - - - - *Lbs.*	104,560,038	117,599,484	113,756,547	125,061,810	126,716,964
	Value - - - - - - *Rx.*	5,103,727	5,861,567	6,240,214	6,520,798	7,426,071
	Average value per lb. - - - R.	- 7 10	- 8 -	- 8 9	- 8 4	- 9 4
7	Hides and Skins :					
	Quantity - - - - - *Cwt.*	732,613	773,551	773,491	749,706	842,924
	Value - - - - - - *Rx.*	4,186,839	4,676,085	4,951,751	5,186,836	5,874,626
	Average value per cwt. - - R.	57 2 5	60 7 2	64 - 3	69 3 -	69 11 1
8	Indigo :					
	Quantity - - - - *Cwt.*	111,715	121,165	122,562	123,782	155,926
	Value - - - - - - *Rx.*	2,930,555	3,121,033	4,035,959	4,001,224	4,505,907
	Average value per cwt. - - R.	262 5 2	257 9 4	329 4 9	323 4 -	288 15 8
9	Wheat :					
	Quantity - - - - - *Cwt.*	13,505,683	28,587,884	14,518,266	11,488,839	6,592,480
	Value - - - - - - *Rx.*	5,691,051	13,506,942	7,206,490	4,944,148	2,454,847
	Average value per cwt. - - R.	4 3 5	4 11 7	4 15 5	4 4 10	3 11 7
10	Coffee :					
	Quantity - - - - - *Cwt.*	195,785	211,201	203,862	201,752	203,612
	Value - - - - - - *Rx.*	1,217,545	1,336,844	1,383,017	1,444,860	1,579,862
	Average value per cwt. - - R.	62 3 -	63 4 9	67 13 5	71 9 10	77 9 6
11	Wool (Raw and Manufactured) *Value Rx.*	932,654	1,016,880	1,127,040	1,099,635	1,436,031
12	Lac - - - - - - - „ *Rx.*	693,894	624,279	683,493	803,569	1,215,869
13	Oils - - - - - - - „ *Rx.*	493,646	557,514	565,482	476,125	678,226
14	Silk (Raw and Manufactured) „ *Rx.*	651,491	640,035	713,287	859,735	585,175
15	Teak Wood :					
	Quantity - - - *Cubic Tons*	38,867	42,131	53,768	40,968	51,967
	Value - - - - - - *Rx.*	386,835	422,758	524,469	409,052	522,991
	Average value per cubic ton - R.	99 8 5	100 5 6	97 8 8	99 13 7	100 9 11
16	Sugar - - - - - *Value Rx.*	335,677	455,449	418,636	715,127	511,366
17	Saltpetre :					
	Quantity - - - - - *Cwt.*	351,749	337,410	407,980	296,844	374,078
	Value - - - - - - *Rx.*	336,137	316,693	402,317	310,246	388,001
	Average value per cwt. - - R.	9 8 11	9 6 2	9 13 9	10 7 3	11 9 10

APPENDIX II.—*continued.*

TABLE III.—SEA-BORNE TRADE for the first Eleven Months of the Year, &c.—*continued.*

No.	IMPORTS.	ELEVEN MONTHS, 1st APRIL TO THE END OF FEBRUARY.				
		1890-91.	1891-92.	1892-93.	1893-94.	1894-95.
1	Cotton—					
	Twist and Yarn:					
	Quantity - - - - *Lbs.*	46,539,279	46,671,847	35,403,526	38,971,912	36,579,056
	Value - - - - - *Rx.*	3,446,744	3,255,329	2,471,858	2,821,488	2,537,184
	Average value per lb. - - R.	- 11 10	- 11 2	- 11 2	- 11 7	- 11 1
	Ditto - in sterling, at average exchange.	1s. 1⅞d.	11¼d.	10½d.	10⅝d.	9d.
	Other Manufactures - *Value Rx.*	24,853,696	22,787,025	21,118,447	26,352,935	27,625,688
	TOTAL COTTON GOODS—Gross Imports - - *Rx.*	28,300,440	26,042,354	23,590,305	29,174,423	30,162,872
	Re-exports—					
	Twist and Yarn:					
	Quantity - - - - Lbs.	*1,096,760*	*1,511,343*	*1,166,231*	*1,045,521*	*1,700,315*
	Value - - - - - Rx.	*74,171*	*104,752*	*78,136*	*76,144*	*108,892*
	Average value per lb. - - R.	*- 10 10*	*- 11 1*	*- 10 9*	*- 11 8*	*- 10 3*
	Other Manufactures - Value Rx.	*1,566,313*	*1,646,278*	*1,565,428*	*1,514,695*	*1,954,102*
	Total Re-exports - - - Rx.	*1,640,484*	*1,751,030*	*1,643,564*	*1,590,839*	*2,062,994*
	TOTAL COTTON GOODS—Net Imports - - *Rx.*	26,659,956	24,291,324	21,946,741	27,583,584	28,099,878
2	Metals - - - - - *Value Rx.*	5,455,500	5,415,524	5,196,917	6,137,131	4,936,744
3	Railway Plant and Rolling Stock. „	3,007,161	2,316,905	1,046,469	2,070,338	2,027,510
4	Sugar - - - - - - „	3,151,785	2,343,207	2,411,748	2,504,116	2,508,088
5	Machinery and Millwork - „	1,990,591	2,003,485	2,210,794	2,427,495	2,335,515
6	Silk (Raw and Manufactured) - „	2,325,637	2,781,800	2,599,167	2,997,401	2,163,199
7	Oils - - - - - - „	2,333,735	2,380,008	2,502,668	3,258,222	1,894,038
8	Woollen Manufactures - - „	1,826,269	1,776,770	1,584,000	1,935,698	1,599,221
9	Provisions - - - - - „	1,371,276	1,635,619	1,737,502	1,680,861	1,452,251
10	Liquors - - - - - - „	1,305,065	1,307,768	1,317,482	1,343,815	1,329,080
11	Coal (excluding Coke and Patent Fuel):					
	Quantity - - - - *Tons*	721,367	656,702	600,075	497,746	729,229
	Value - - - - - - *Rx.*	1,409,911	1,099,769	1,041,318	856,140	1,280,652
	Average value per ton - - - R.	19 8 9	16 11 11	17 5 8	17 2 3	17 9 -
12	Apparel - - - - *Value Rx.*	1,144,296	1,177,139	1,161,311	1,349,581	1,229,735
13	Salt:					
	Quantity - - - - *Tons*	366,090	341,356	323,276	377,355	469,750
	Value - - - - - - *Rx.*	717,839	575,185	518,194	716,611	765,551
	Average value per ton - - - R.	19 9 9	16 13 7	16 - 6	18 15 10	16 4 9
14	Spices - - - - *Value Rx.*	738,982	722,841	562,400	790,946	712,282

APPENDIX II.—*continued.*

TABLE IV.—WHOLESALE PRICES of TYPICAL COMMODITIES in GOLD and SILVER in *London* and *Calcutta* in December in each Year.

(Prices of March 1873 = 100.)

	Measured in Gold.								Measured in Silver.*							
In LONDON—	1887.	1888.	1889.	1890.	1891.	1892.	1893.	1894.	1887.	1888.	1889.	1890.	1891.	1892.	1893.	1894.
(Prices quoted from the London "Economist"):																
Scotch pig iron (warrants)	37	35	50	40	40	35	37	36	49	50	68	50	54	54	69	75
Coals, Hetton, Wallsend (London).	49	51	63	55	52	48	70	47	66	71	86	69	71	73	131	99
Copper, Chili bars	95	87	55	62	52	53	48	44	127	121	75	79	70	82	91	93
Tin, Straits	115	68	67	64	63	64	52	43	153	95	92	80	85	97	98	90
Wheat	56	55	55	59	71	57	49	36	74	78	75	74	96	86	91	76
Flour, town-made	54	61	57	65	66	52	47	38	73	85	78	82	89	80	88	80
Beef, inferior	75	67	87	70	80	75	80	75	100	95	119	88	108	115	150	157
Cotton, No. 40, mule twist	62	65	64	68	57	57	54	44	84	91	88	85	77	87	100	92
Wool, Southdown hogs	55	54	59	59	59	55	55	52	73	75	80	74	79	84	103	110
Sugar, Manilla, low brown	56	53	45	55	58	51	45	35	75	75	61	69	78	78	84	74
Coffee	102	101	112	118	114	120	119	119	136	142	153	149	155	183	223	250
Saltpetre	77	77	78	78	77	77	78	79	103	107	107	99	103	118	147	106
Gold	–	–	–	–	–	–	–	–	134	140	137	126	135	153	187	210
Silver	75	71	73	79	74	65	53	47	–	–	–	–	–	–	–	–
In CALCUTTA—(Prices quoted from the Calcutta "Price Current"):																
Grey shirtings (8 to 9 lbs.)									79	81	76	74	74	77	70	70
Mule twist, grey yarn, Banner mill, 10 lbs.									72	75	74	71	65	73	69	70
" " Turkey red, No. 40, full weight									58	57	57	56	57	61	62	62
" " Orange, Nos. 40—60									86	85	85	77	73	76	80	80
Copper sheathing									90	99	69	72	72	80	83	93
Iron, flat, bolt, bar, and square, common									59	65	79	64	64	97	96	103
Spelter, hard									128	107	144	151	151	217	125	130
Hides, buffalo, slaughtered, Patna									69	74	Nom.	Nil	Nil	Nil	Nil	Nil.
Indigo, good, middling to good									82	93	76	88	74	114	108	99
Jute (C.C.)									153	192	192	123	219	186	222	167
Shell-lac, Europe, 1st orange									68	76	102	76	102	Nom	127	161
Linseed, bold									94	112	115	99	112	128	53	127
Rice, Ballam, No. 1									118	147	165	159	168	196	200	162
Silk, raw, Cossimbazar									64	76	87	71	64	79	71	69
Tea, Souchong, fair									50	52	50	48	41	59	43	61
Wheat, Doodiah, Club No. 2									76	87	81	86	103	96	78	81
Gold									131	135	131	122	131	148	146	169

* The values measured in silver in London have been calculated from the values in gold on the basis of the price of standard silver in London.

APPENDIX II.—*continued.*

TABLE V.—STATEMENT showing the true Financial Results to the REVENUES of *India* of the Guarantee of Interest upon the Capital of GUARANTEED RAILWAY COMPANIES.

	1889–90.	1890–91.	1891–92.	1892–93.	1893–94.	Revised Estimate, 1894–95.	Budget Estimate, 1895–96.
	Miles.	*Miles.*	*Miles.*	*Miles.*	*Miles.*	*Miles.*	*Miles.*
Open Mileage at end of official year.	3,243	* 2,588	2,588	2,587	2,587	2,587	2,587
	Rx.	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*
Gross Traffic Receipts - - -	6,534,567	6,753,013	6,846,420	6,301,935	6,461,042	6,069,000	6,560,000
Working Expenses - - -	3,365,933	3,251,739	3,353,302	3,057,522	3,077,230	3,030,000	3,065,000
Percentage of Working Expenses on Receipts - - - -	51·50	48·15	48·98	48·52	47·63	49·93	46·72
Net Traffic Receipts - - -	3,168,634	3,501,274	3,493,118	3,244,413	3,383,812	3,039,000	3,495,000
Net Gain by the remittance to England of Capital Receipts and Disbursements in India at the contract rates of exchange, instead of at the average yearly rates obtained for the Secretary of State's Bills - - - -	—	—	—	—	—	—	—
TOTAL Revenue - - -	3,168,634	3,501,274	3,493,118	3,244,413	3,383,812	3,039,000	3,495,000
Gross Guaranteed Interest paid in India - - - - - *Rx.*	9,468	7,597	37,171	2,073	2,495	6,800	2,150
Gross Guaranteed Interest paid in London - - - - - £.	2,337,058	2,354,130	2,114,159	2,145,297	2,154,720	2,154,600	2,161,300
	Rx.	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*
Total Guaranteed Interest (sterling payments converted at the average exchange of the year) -	3,395,279	3,130,941	3,069,430	3,438,635	3,557,493	3,956,900	3,964,600
Surplus paid to Railway Companies - - - - - -	441,033	473,334	737,059	581,924	571,255	599,800	585,000
Land and Supervision - - -	30,952	42,987	19,257	29,423	34,003	32,100	* 33,000
Net Loss on Receipts and Disbursements of Capital in India, calculated in the same way as the Gain - - - - -	142,733	87,538	131,960	145,383	133,548	62,100	80,600
TOTAL Expenditure - - -	4,010,897	3,734,800	3,958,306	4,195,365	4,296,299	4,650,900	4,663,200
Net Expenditure from the Public Treasury - - - - - -	842,263	233,526	465,188	950,952	912,487	1,611,900	1,168,200
Net Revenue - - - - -	—	—	—	—	—	—	—

* The South Indian Railway, 654½ miles, was purchased by the State on the 1st January 1891, and the mileage is shown under State Railways.

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APPENDIX II.—*continued.*

TABLE VI.—ACTUAL CAPITAL EXPENDITURE on STATE RAILWAYS in 1893–94, and ESTIMATED EXPENDITURE on such Works in 1894–95 and 1895–96, and to end of 1895–96.

RAILWAYS.	To end of 1892-93.	Accounts, 1893-94.	Revised Estimate, 1894-95.	Budget Estimate, 1895-96.	To end of 1895-96.	Sanctioned Outlay.	Balance remaining unspent.
OPEN LINES.	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*
East Indian, including Jherria Extension.	15,079,819	543,377	354,100	310,000	16,287,296	16,287,296	—
Rajputana-Malwa	9,316,362	38,340	146,200	39,300	9,540,202	9,540,202	—
Holkar	1,306,264	2,179	300	5,800	1,314,543	1,314,543	—
Cawnpore-Achnera	1,154,939	7,590	5,500	10,800	1,178,829	1,178,829	—
Rewari-Ferozepore	1,281,052	1,731	7,200	7,700	1,297,683	1,297,683	—
Palanpur-Deesa	11,433	9,163	800	6,400	27,796	27,796	—
Bhopal	194,605	19,215	14,000	7,500	235,320	235,320	—
Wardha Coal	498,769	- -	- -	10,500	509,269	509,269	—
Warora Colliery	156,434	11,260	43,400	18,400	229,494	229,494	—
Umaria Colliery	103,770	— 4,247	5,200	5,200	109,923	109,923	—
Burma	5,282,445	63,688	34,700	— 8,900	5,371,933	5,371,933	—
Jorhat	78,899	2,184	1,100	4,600	86,783	86,783	—
Cherra-Companygang	77,830	70	200	- -	78,100	78,100	—
Eastern Bengal	8,532,004	105,544	64,500	120,000	8,822,048	8,822,048	—
Tirhoot	2,485,903	12,460	50,500	70,000	2,618,863	2,618,863	—
Lucknow-Rae Bareli Section	163,289	82,520	80,300	164,300	11,620,757	11,620,757	—
Oudh and Rohilkhand	10,344,159	36,566					
Bareilly-Rampur-Moradabad	270,448	392,975	86,200				
Lucknow-Bareilly	512,114	- -	- -	- -	512,114	512,114	—
North Western	34,971,352	183,972	204,700	84,000	35,444,024	35,444,024	—
Guntakal-Mysore frontier	575,879	9,931	1,000	5,000	591,810	591,810	—
South Indian	7,210,330	75,035	20,000	85,000	7,390,365	7,390,365	—
Bezváda Extension	142,153	500	500	- -	143,153	143,153	—
Dhond and Manmad	1,108,704	9,382	5,100	28,600	1,151,786	1,151,786	—
Mayavaram-Mutupet	163,176	63,993	12,800	3,800	243,769	243,769	—
Hyderabad-Umarkot	163,042	7,655	6,000	1,000	177,697	177,697	—
Petroleum Operations	14,381	— 1,914	— 200	- -	12,267	12,267	—
Frontier Railway Reserve Material	421,948	13,847	1,400	- -	437,195	437,195	—
Peshawar Railway Reserve Material	36,776	- -	- -	- -	36,776	36,776	—
TOTAL	101,658,279	1,687,016	1,145,500	979,000	105,469,795	105,469,795	—
LINES UNDER CONSTRUCTION.							
Rutlam-Ujjain	- -	- -	30,000	240,000	270,000	466,842	196,842
Godhra-Rutlam	924,253	427,045	193,400	35,000	1,579,698	* 1,580,441	743
Mu Valley	1,528,733	270,309	304,600	120,000	2,223,642	2,368,121	144,479
Assam-Bengal (Construction)	- -	- -	733,900	305,000	1,038,900	1,038,900	—
Assam-Bengal (Land)	14,231	67,004	127,500	195,000	403,735	431,835	28,100
Gradient Improvements	491,953	144,860	109,300	— 26,100	720,013	* 718,622	—1,391
Karachi-Kotri (doubling line)	- -	- -	- -	103,400	103,400	* 577,724	474,324
Kotri-Rohri	- -	- -	247,000	500,000	747,000	*1,346,294	599,294
Wazirabad-Lyallpur	- -	- -	50,000	170,000	220,000	392,115	172,115
Mushkaf-Bolan	451,183	561,486	622,000	351,400	1,986,069	* 2,263,705	277,636
Mari-Attock	299.011	83,602	80,000	150,000	612,613	1,372,856	760,243
East Coast	2,853,997	975,989	768,000	500,000	5,097,986	5,576,737	478,751
Madras-Bezvada (Ennore Section)	- -	- -	17,000	30,000	47,000	60,000	13,000
Cawnpore-Lucknow-Gogra	- -	- -	105,300	140,000	245,300	* 376,926	131,626
TOTAL	6,563,361	2,530,295	3,388,000	2,813,700	15,295,356	18,571,118	3,275,762
Carried forward	108,221,640	4,217,311	4,533,500	3,792,700	120,765,151	124,040,913	3,275,762

* Estimated cost, not yet sanctioned.

APPENDIX II.—*continued.*

TABLE VI.—ACTUAL CAPITAL EXPENDITURE on STATE RAILWAYS, &c.—*continued.*

RAILWAYS.	To end of 1892-93.	Accounts, 1893-94.	Revised Estimate, 1894-95.	Budget Estimate, 1895-96.	To end of 1895-96.	Sanctioned Outlay.	Balance remaining unspent.
	Rx.	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*
Brought forward - - -	108,221,640	4,217,311	4,533,500	3,792,700	120,765,151	124,040,913	3,275,762
LINES IN ABEYANCE OR TRANSFERRED TO COMPANIES, &c.							
Ranaghat-Bhagwangola - - -	30,244	- -	- -	- -	30,244	30,244	—
Southern Mahratta (Depreciation on Stores, &c.).	52,707	- -	- -	- -	*52,707	52,707	—
Bellary-Kistna - - - - -	1,657,753	- -	- -	- -	1,657,753	1,657,753	—
Bilaspur-Etawah - - - -	7,514	- -	- -	- -	7,514	7,514	—
Vizagapatam-Raipur - - -	24,504	- -	- -	- -	24,504	24,504	—
Nagpur - Chhattisgarh Depreciation Account.	49,730	3,702	2,800	- -	56,232	56,232	—
TOTAL - - -	1,822,452	3,702	2,800	- -	1,828,954	1,828,954	—
Stores and Reserve - - - -	158,535	—146,589	93,800	116,700	222,446	222,446	—
	110,202,627	4,074,424	4,630,100	3,909,400	122,816,551	126,092,313	3,275,762
Deduct,—Over-allotments -	- -	- -	- -	—200,000	—200,000	—200,000	—
TOTAL - - -	110,202,627	4,074,424	4,630,100	3,709,400	122,616,551	125,892,313	3,275,762
Distributed as under :—							
Capital Expenditure on Public Works (not charged against Revenue) :							
State Railways—Construction	65,841,402	2,939,568	4,610,000	3,700,000	77,090,970	—	—
Redemption of Liabilities -	33,553,451	- -	- -	- -	33,553,451	—	—
Famine Relief and Insurance :							
Protective Railways - -	4,403,243	1,060,954	- -	- -	5,464,197	—	—
Construction of Railways (charged against Revenue in addition to that under Famine Insurance) -	6,404,531	73,902	20,100	9,400	6,507,933	—	—
TOTAL as above - - -	110,202,627	4,074,424	4,630,100	3,709,400	122,616,551	125,892,313	3,275,762

* Represents depreciation on works and stores allowed by Government on transfer to the Company.

APPENDIX II.—*continued.*

TABLE VII.—CAPITAL EXPENDITURE on IRRIGATION—MAJOR WORKS, in 1893-94, and ESTIMATED EXPENDITURE on such Works in 1894-95, 1895-96, and to the end of 1895-96, &c.

	Accounts, 1893-94.	Revised Estimate, 1894-95.	Budget Estimate, 1895-96.	Total Actual and Estimated Outlay to end of 1895-96.	Sanctioned Estimate.	Balance of sanctioned Estimate remaining to be spent.
IRRIGATION WORKS. CAPITAL EXPENDITURE NOT CHARGED AGAINST REVENUE.	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*
Bengal.						
Orissa Canals	35,682	29,500	11,100	2,573,270	(a) 3,145,490	572,220
Midnapore Canal:						
Old outlay	- -	- -	- -	822,251	831,677	—
Outlay against Open Capital sanctions	260	- -	1,000	4,880	5,632	752
Hidgellee Tidal Canal:						
Old outlay	- -	- -	- -	179,549	177,269	—
Outlay against Supplementary Estimate	—828	10,600	16,500	73,826	76,915	3,089
Sone Canals:						
Old outlay	- -	- -	- -	2,535,663	2,788,870	—
Outlay against Open Capital sanctions	16,680	4,900	3,700	68,451	71,264	2,813
North Western Provinces and Oudh.						
Ganges Canal:						
Old outlay	- -	- -	- -	2,685,061	2,923,592	—
Outlay against Open Capital sanctions	12,675	27,500	35,900	103,950	81,164	—
Lower Ganges Canal:						
Old outlay	- -	- -	- -	3,099,851	3,273,832	—
Outlay against Open Capital sanctions	29,941	26,200	19,600	118,215	115,523	—
Fatehpur Branch	- -	- -	49,200	49,200	342,000	292,800
Agra Canal:						
Old outlay	- -	- -	- -	849,147	871,752	—
Outlay against Open Capital sanctions	3,589	7,300	9,700	25,529	27,172	1,643
Eastern Jumna Canal:						
Old outlay	- -	- -	- -	318,507	344,191	—
Outlay against Open Capital sanctions	1,004	5,000	6,600	22,019	22,308	289
Punjab.						
Western Jumna Canal:						
Old outlay	- -	- -	- -	1,051,643	1,078,050	—
Outlay against Open Capital sanctions	12,225	26,000	40,500	105,977	122,057	16,080
Western Jumna Canal, Sirsa Branch (State outlay).	44,163	50,000	10,000	282,033	289,269	7,236
Bari Doab Canal:						
Old outlay	- -	- -	- -	1,572,350	1,579,860	—
Outlay against Open Capital sanctions	51,090	36,000	22,500	144,955	132,954	—
Carried over	206,481	223,000	226,300	16,686,327	—	—

(a) Includes Rx. 5,868 sanctioned for supplementary works.

APPENDIX II.—*continued.*

TABLE VII.—CAPITAL EXPENDITURE ON IRRIGATION, &c.—*continued.*

	Accounts, 1893–94.	Revised Estimate, 1894–95.	Budget Estimate, 1895–96.	Total Actual and Estimated Outlay to end of 1895–96.	Sanctioned Estimate.	Balance of sanctioned Estimate remaining to be spent.
	Rx.	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*
Brought over	206,481	223,000	226,300	16,686,327	—	—
Punjab—continued.						
Sirhind Canal (State outlay):						
Old outlay	- -	- -	- -	2,188,086	2,226,440	—
Outlay against Open Capital sanctions	20,355	6,000	10,900	111,719	195,000	83,281
Chenab Canal (including Extension)	229,468	170,000	197,900	1,655,375	2,568,418	913,043
Madras.						
Godavari Delta System:						
Old outlay	- -	- -	- -	1,083,306	1,108,933	—
Outlay against Open Capital sanctions	254	500	1,300	9,850	11,687	1,837
Kistna Delta System	38,184	41,000	44,800	1,128,406	1,391,978	263,572
Sangam Anicut System:						
Old outlay	5,188	- -	- -	306,696	313,000	—
Outlay against Open Capital sanctions	- -	2,900	1,700	4,600	- -	—
Periyar Project	131,411	90,000	64,400	794,024	847,100	53,076
Bombay.						
Desert Canal:						
Old outlay	- -	- -	- -	122,089	123,479	—
Outlay against Open Capital sanctions	20	- -	- -	269	248	—
Begari Canal: (Old outlay)	- -	- -	- -	162,561	162,561	—
Eastern Nara Works	37,533	36,200	18,600	631,969	609,029	—
Jamrao Canals	-	14,800	139,800	154,600	696,653	542,053
Mutha Canals	12,030	7,600	6,900	638,743	621,421	—
Other projects	18,908	16,800	13,400	3,317,613	—	—
	699,832	603,800	726,000	28,996,233	—	—
Deduct,—Outlay incurred from ordinary Revenues	18,148	13,800	26,000	5,567,815	—	—
TOTAL	681,684	590,000	700,000	23,428,418	—	—
FAMINE RELIEF AND INSURANCE.						
PROTECTIVE IRRIGATION WORKS.						
North Western Provinces and Oudh.						
Betwa Canal:						
Old outlay	- -	- -	- -	398,447	425,141	—
Outlay against Open Capital sanctions	2,060	600	800	3,460	2,027	—
Punjab.						
Swat River Canal:						
Old outlay	- -	- -	- -	347,689	354,581	—
Outlay against Open Capital sanctions	2,087	300	13,200	16,308	2,363	—
Madras.						
Rushikulya Project	40,063	30,000	30,000	397,094	436,800	39,706
Bombay.						
Nira Canal	11,416	10,400	2,100	531,978	573,465	41,487
Other projects	725	1,100	3,900	415,272	—	—
	56,351	42,400	50,000	2,110,248	—	—
Deduct,—Outlay incurred from ordinary Revenues	- -	- -	- -	285,434	—	—
TOTAL	56,351	42,400	50,000	1,824,814	—	—
GRAND TOTAL	738,031	732,400	750,000	25,253,232	—	—

APPENDIX II.—*continued.*

TABLE VIII.—GROSS TRAFFIC RECEIPTS, WORKING EXPENSES, and NET TRAFFIC RECEIPTS, of GUARANTEED and STATE RAILWAYS, for Five Years ending 1893–94, with REVISED ESTIMATES for 1894–95, and BUDGET ESTIMATES for 1895–96.

	ACCOUNTS.					Revised Estimate,	Budget Estimate,
	1889–90.	1890–91.	1891–92.	1892–93.	1893–94.	1894–95.	1895–96.
GUARANTEED RAILWAYS.	*Miles.*	*Miles.*	*Miles.*	*Miles.*	*Miles.*	*Miles.*	*Miles.*
Open mileage at beginning of year	3,241	3,243	* 2,588	2,588	2,587	2,587	2,587
Gross Traffic Receipts.	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*
Madras	942,442	963,219	946,852	979,209	1,049,883	1,054,000	1,075,000
South Indian	582,050	468,015	—	—	—	—	—
Bombay, Baroda, and Central India	1,308,085	1,325,745	1,422,293	1,435,202	1,518,105	1,600,000	1,585,000
Great Indian Peninsula	3,701,990	3,996,034	4,477,276	3,887,524	3,893,054	3,415,000	3,900,000
TOTAL	6,534,567	6,753,013	6,846,421	6,301,935	6,461,042	6,069,000	6,560,000
Working Expenses.							
Madras	536,576	497,965	548,941	526,892	519,380	545,000	545,000
South Indian	377,325	281,260	—	—	—	—	—
Bombay, Baroda, and Central India	559,210	537,342	599,949	579,392	539,789	585,000	620,000
Great Indian Peninsula	1,892,822	1,935,172	2,204,413	1,951,238	2,018,061	1,900,000	1,900,000
TOTAL	3,365,933	3,251,739	3,353,303	3,057,522	3,077,230	3,030,000	3,065,000
Net Traffic Receipts.							
Madras	405,866	465,254	397,911	452,317	530,503	509,000	530,000
South Indian	204,725	186,755	—	—	—	—	—
Bombay, Baroda, and Central India	748,875	788,403	822,344	855,810	978,316	1,015,000	965,000
Great Indian Peninsula	1,809,168	2,060,862	2,272,863	1,936,286	1,874,993	1,515,000	2,000,000
TOTAL	3,168,634	3,501,274	3,493,118	3,244,413	3,383,812	3,039,000	3,495,000
STATE RAILWAYS.	*Miles.*	*Miles.*	*Miles.*	*Miles.*	*Miles.*	*Miles.*	*Miles.*
Open mileage at beginning of year	10,407	11,055	† 12,757	13,106	13,461	13,806	14,166
Gross Traffic Receipts.	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*
East Indian	4,474,030	4,428,495	4,957,632	4,888,869	5,122,906	5,220,400	5,250,400
Nalhati	10,444	10,008	9,235	—			
Patna-Gya	52,151	51,749	60,771	28,650			
Rajputana-Malwa	1,938,223	1,851,105	2,205,116	2,247,595	2,307,621	2,550,000	2,550,000
Godhra-Rutlam	—	—	—	—	7,394		
Sindia	7,108	—	—	—	—	—	—
Bhopal	7,916	8,777	13,088	15,310	16,916	16,200	17,500
Palanpur-Deesa	—	—	—	—	1,458	4,200	4,500
Warora Colliery	82,187	90,930	54,425	54,407	56,147	53,500	53,500
Wardha Coal			25,897	23,299	21,086	22,000	24,000
Bengal-Nagpur	218,157	319,391	637,317	603,259	680,890	675,000	680,000
Umaria Colliery	26,408	33,979	27,996	36,524	37,214	41,700	45,000
Burma	348,338	376,678	406,038	695,172	619,009	600,000	635,000
Tounghoo-Mandalay	161,449	193,310	210,027				
Mu Valley	—	—	13,614	23,154	28,076	30,000	55,000
Assam-Bengal	—	—	—	—	—	—	35,000
Jorhat	6,046	6,198	6,402	6,641	7,093	7,000	7,300
Cherra-Companyganj	1,235	1,713	1,953	1,846	2,298	2,700	2,700
Eastern Bengal	1,145,727	1,220,112	1,146,384	1,182,955	1,249,481	1,430,000	1,300,000
Tirhoot	211,182	69,726	488,854	538,398	524,159	565,000	565,000
Bengal and North Western and Tirhoot	—	320,600					
Bengal Central	72,991	74,047	76,110	78,006	78,110	82,500	82,500
Oudh and Rohilkhand	784,746	734,471	879,286	845,934	898,055	1,095,000	950,000
Indian Midland	314,730	331,908	436,012	444,354	432,366	532,500	550,000
Bareilly-Pilibhit	10,985	9,954	1,991	—	76,662	95,000	85,000
Lucknow-Sitapur-Seramau	31,888	33,729	—	23			
Lucknow-Bareilly	—	7,356	56,314	69,469			
North Western	2,905,416	2,730,774	3,309,010	2,569,878	3,031,471	3,250,000	3,150,000
Amritsar-Pathankot	10,154	11,325	11,224				
South Indian	—	147,044	725,984	797,602	781,522	830,000	840,000
Villupuram-Guntakal	—	1,995					
Villupuram-Guntakal—Nellore Branch	25,454	24,260					
Mysore	101,156	122,768	134,356	151,225	159,574	150,000	150,000
Bezvada Extension	7,667	7,473	8,737	9,878	9,292	18,000	255,000
East Coast	—	—	—	—	75,055	160,000	
Madras-Bezvada	—	—	—	—	—	—	3,000
Guntakal-Mysore Frontier	—	—	—	—	29,183	36,300	40,000
Mayavaram-Mutupet	—	—	—	—	—	21,200	22,500
Dhond and Manmad ‡	24,943	26,313	30,858	32,834	34,857	37,200	40,000
Southern Mahratta	407,133	457,136	477,303	463,116	576,958	595,000	595,000
Hyderabad-Umarkot	—	—	—	6,409	14,253	14,000	14,000
TOTAL	13,387,864	13,703,224	16,411,934	15,814,807	16,879,106	18,134,400	18,001,900

* The South Indian Railway, 654¼ miles, was purchased by the State on 1st January 1891, and the mileage is shown under State Railways.
† Includes the length of the South Indian and Bengal and North Western Railways.
‡ The working of this line was transferred to the Great Indian Peninsula Railway from 1st January 1881; the Government of India only receive percentage of the gross receipts.

APPENDIX II.—*continued.*

TABLE VIII.—RECEIPTS AND EXPENSES OF RAILWAYS, &c.—*continued.*

	ACCOUNTS					Revised Estimate,	Budget Estimate,
	1889-90.	1890-91.	1891-92.	1892-93.	1893-94.	1894-95.	1895-96.
STATE RAILWAYS—*continued.*							
Working Expenses.	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*
East Indian	1,682,537	1,484,563	1,643,008	1,607,100			
Nalhati	7,594	7,832	4,818	- -	1,564,367	1,800,000	1,700,000
Patna-Gya	25,395	23,739	25,983	12,303			
Rajputana-Malwa	1,020,867	926,066	1,087,885	1,018,701	1,077,782	1,144,300	1,140,000
Godhra-Rutlam	- -	- -	- -	- -	2,998		
Sindia	3,372	—	—	—	—	—	—
Bhopal	8,468	10,434	8,228	9,670	11,712	10,300	11,000
Palanpur-Deesa	- -	- -	- -	- -	568	2,800	3,000
Warora Colliery	57,343	64,772	43,149	50,674	56,683	49,500	49,500
Wardha Coal			19,952	19,889	12,164	13,200	13,200
Bengal-Nagpur	147,176	234,881	303,037	309,681	329,705	335,000	335,000
Bilaspur-Etawah	- -	- -	- -	1,321	—	—	—
Umaria Colliery	22,418	23,641	25,976	33,179	34,277	40,000	40,000
Burma	204,756	207,845	228,128	351,915	365,924	355,000	322,500
Tounghoo-Mandalay	120,702	108,278	110,167				
Mu Valley	- -	- -	12,039	54,010	55,342	53,000	67,500
Assam-Bengal	- -	- -	- -	- -	- -	- -	30,000
Jorhat	6,231	5,797	6,090	5,495	5,658	6,200	6,400
Cherra-Companyganj	2,672	1,917	1,409	1,750	1,975	2,100	2,300
Eastern Bengal	510,317	542,205	626,279	561,629	542,513	570,000	570,000
Tirhoot	90,553	31,093	2,216	395,397	389,490	400,000	402,500
Bengal and North Western and Tirhoot	- -	131,952	415,190				
Bengal Central	45,048	49,263	57,001	53,808	55,114	57,000	57,500
Oudh and Rohilkhand	343,935	350,043	381,473	368,631	377,963	480,000	435,000
Indian Midland	234,086	254,146	267,655	292,086	285,654	303,000	313,500
Bareilly-Pilibhit	7,300	7,893	- -	- -			
Lucknow-Sitapur-Seramau	21,266	23,529	- -	- -	47,921	58,800	51,500
Lucknow-Bareilly	- -	4,428	33,108	42,737			
North Western	1,856,236	1,749,515	1,953,535	1,811,838	1,908,197	1,900,000	1,850,000
South Indian	- -	70,577					
Villupuram-Guntakal	- -	1,344	497,698	507,014	490,754	500,000	525,000
Villupuram-Guntakal—Nellore Branch	18,369	17,149					
Mysore	90,598	96,446	102,932	98,812	122,894	110,000	110,000
Bezvada Extension	6,083	5,837	5,828	7,038	7,441	9,800	175,000
East Coast	- -	- -	- -	- -	59,599	130,000	
Madras-Bezvada	- -	- -	- -	- -	- -	- -	1,800
Guntakul-Mysore Frontier	- -	- -	- -	- -	17,411	23,800	25,000
Mayavaram-Mutupet	- -	- -	- -	- -	- -	13,200	14,000
Dhond and Manmad *	—	—	—	—	—	—	—
Southern Mahratta	330,529	336,715	350,996	323,709	428,462	435,000	435,000
Hyderabad-Umarkot	- -	- -	- -	6,121	11,407	11,000	11,000
TOTAL	6,864,440	6,771,940	8,214,480	7,944,869	8,263,975	8,813,000	8,697,000
Net Traffic Receipts.							
East Indian	2,791,493	2,943,932	3,314,624	3,281,769			
Nalhati	2,850	2,176	4,418	- -	3,558,539	3,420,400	3,550,400
Patna-Gya	26,756	28,010	34,788	16,347			
Rajputana-Malwa	917,356	925,039	1,117,231	1,228,894	1,229,839	1,405,700	1,410,000
Godhra-Rutlam	- -	- -	- -	- -	4,396		
Sindia	3,736	—	—	—	—	—	—
Bhopal	— 542	— 1,657	4,861	5,640	5,204	5,800	6,500
Palanpur-Deesa	- -	- -	- -	- -	890	1,400	1,500
Warora Colliery	24,844	26,158	11,276	3,733	— 536	4,000	4,000
Wardha Coal			5,945	3,410	8,922	8,800	10,800
Bengal-Nagpur	70,981	84,510	334,280	293,578	351,185	340,000	345,000
Bilaspur-Etawah	- -	- -	- -	— 1,321			
Umaria Colliery	3,990	10,298	2,020	3,345	2,937	1,700	5,000
Burma	143,582	168,433	177,910	343,257	253,085	245,000	312,500
Tounghoo-Mandalay	40,747	85,032	99,861				
Mu Valley	- -	- -	1,575	— 30,856	— 27,266	—23,000	—12,500
Assam-Bengal	- -	- -	- -	- -	- -	- -	5,000
Jorhat	— 185	401	311	1,146	1,435	800	900
Cherra-Companyganj	— 1,437	— 204	44	96	323	600	400
Eastern Bengal	635,410	677,907	520,104	621,326	706,968	860,000	730,000
Tirhoot	120,629	38,633	—2,216				
Bengal and North Western and Tirhoot	- -	188,648	73,364	143,001	134,669	165,000	162,500
Bengal Central	27,343	24,784	19,109	21,198	22,996	25,500	25,000
Oudh and Rohilkhand	440,811	384,428	497,813	477,243	520,092	615,000	515,000
Indian Midland	80,644	77,762	168,457	152,268	146,712	229,500	236,500
Bareilly-Pilibhit	3,685	2,061	1,991	- -			
Lucknow-Sitapur-Seramau	10,822	10,200	- -	23	28,741	36,200	33,500
Lucknow-Bareilly	- -	2,928	23,206	26,732			
North Western	1,049,181	981,259	1,355,175	758,040	1,123,274	1,350,000	1,300,000
Amritsar-Pathankot	10,154	11,225	11,224				
South Indian	- -	76,467					
Villupuram-Guntakal	- -	651	228,286	290,588	290,768	330,000	315,000
Villupuram-Guntakal—Nellore Branch	7,085	7,111					
Mysore	10,558	26,322	31,423	52,413	36,680	4 ,000	40,000
Bezváda Extension	1,584	1,636	2,909	2,840	1,851	5,200	80,000
East Coast	- -	- -	- -	- -	15,456	30,800	
Madras-Bezvada	- -	- -	- -	- -	- -	- -	1,400
Guntakal-Mysore Frontier	- -	- -	- -	- -	11,772	12,500	15,000
Mayavaram-Mutupet	- -	- -	- -	- -	- -	8,800	8,500
Dhond and Manmad *	24,943	26,313	30,858	32,834	34,857	37,200	4 ,000
Southern Mahratta	76,604	120,421	126,307	139,447	148,436	16 ,000	160,000
Hyderabad-Umarkot	- -	- -	- -	— 12	2,846	3,000	3,000
TOTAL	6,523,424	6,931,284	8,197,454	7,861,869	8,615,131	9,321,400	9,304,900

* The working of this line was transferred to the Great Indian Peninsula Railway from 1st January 1881; the Government of India only receive a percentage of the gross receipts.

APPENDIX II.—*continued.*

TABLE IX.—GROSS RECEIPTS, WORKING EXPENSES, and NET EARNINGS, of IRRIGATION—MAJOR WORKS, for Five Years ending 1893–94, with REVISED ESTIMATE for 1894–95, and BUDGET ESTIMATE for 1895–96.

	ACTUALS.					Revised Estimate,	Budget Estimate,
	1889–90.	1890–91.	1891–92.	1892–93.	1893–94.	1894–95.	1895–96.
DIRECT RECEIPTS:	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*
Orissa Canals	30,422	34,501	37,100	49,766	37,657	31,900	32,800
Midnapore Canal	27,761	23,720	28,470	28,018	30,494	25,200	27,700
Hidgellee Tidal Canal	4,195	2,804	3,692	5,346	5,920	6,500	6,000
Sone Canals	89,750	73,648	91,009	105,637	93,191	82,400	83,500
Ganges Canal	199,141	248,974	261,685	248,145	251,757	246,700	210,000
Lower Ganges Canal	133,309	140,604	178,594	180,863	181,404	157,200	134,500
Agra Canal	56,566	61,390	60,100	54,280	49,042	62,500	50,000
Eastern Jumna Canal	63,514	83,255	81,294	77,536	95,758	89,200	70,000
Betwa Canal	7,585	7,455	10,229	8,547	7,392	5,500	5,000
Western Jumna Canal (including Sirsa Branch)	113,116	160,321	151,127	117,126	105,433	145,200	150,000
Chenab Canal	7,711	9,793	10,294	19,100	36,217	50,000	91,000
Bari Doab Canal	139,663	149,559	169,840	231,345	203,901	210,800	214,600
Sirhind Canal	138,917	168,523	201,595	243,032	108,665	95,600	120,000
Swat River Canal	24,941	25,048	20,369	28,922	25,599	28,000	28,800
Godavari Delta System	11,492	12,236	11,096	11,974	12,128	12,000	12,000
Kistna Delta System	4,502	5,047	4,831	5,299	5,084	5,000	5,000
Sangam Anicut System	91	127	74	91	68	100	100
Desert Canal	5,193	2,803	974	2,872	1,787	3,500	3,500
Begari Canal	4,404	2,836	1,435	2,961	2,993	2,900	3,200
Eastern Nara Works	1,753	2,206	2,044	2,025	2,090	2,100	2,100
Mutha Canals	20,625	21,881	24,756	22,520	25,128	26,400	31,400
Nira Canal	2,756	3,609	4,449	8,550	7,754	8,100	10,500
Other projects	50,177	44,243	49,680	56,775	60,223	59,500	58,600
TOTAL	1,132,584	1,284,683	1,404,737	1,510,730	1,349,685	1,356,300	1,350,300
PORTION OF LAND REVENUE DUE TO IRRIGATION:							
Ganges Canal	54,731	66,446	69,008	71,559	71,559	71,600	71,600
Lower Ganges Canal	20,959	20,959	20,959	20,959	20,959	21,000	21,000
Eastern Jumna Canal	22,153	23,292	24,614	24,980	24,980	24,900	24,900
Western Jumna Canal	4,737	2,368	—	—	—	—	—
Chenab Canal	-	-	-	112	1,752	2,282	12,800	22,500
Bari Doab Canal	42,467	44,046	24,988	11,897	19,263	17,900	17,900
Godavari Delta System	200,371	204,703	215,151	222,382	217,899	267,100	271,900
Kistna Delta System	150,618	167,461	173,970	174,845	186,038	232,500	243,200
Sangam Anicut System	12,000	12,946	814	16,159	16,583	24,100	25,800
Desert Canal	13,120	12,854	1,458	8,969	2,707	14,400	14,400
Begari Canal	22,498	18,922	22,255	30,540	28,440	29,900	30,000
Eastern Nara Works	42,908	38,890	37,197	41,323	40,897	36,800	56,600
Mutha Canals	*—538*	*—595*	*—718*	*—524*	*—713*	—	—
Nira Canal	*—128*	*—171*	*—213*	*—419*	*—381*	—	—
Other projects	103,870	96,875	83,594	97,884	116,413	126,400	129,900
TOTAL	689,766	708,996	673,189	722,306	746,926	879,400	929,700
TOTAL REVENUE:							
Orissa Canals	30,422	34,501	37,100	49,766	37,657	31,900	32,800
Midnapore Canal	27,761	23,720	28,470	28,018	30,494	25,200	27,700
Hidgellee Tidal Canal	4,195	2,804	3,692	5,346	5,920	6,500	6,000
Sone Canals	89,750	73,648	91,009	105,637	93,191	82,400	83,500
Ganges Canal	253,872	315,420	330,693	319,704	323,316	318,300	281,600
Lower Ganges Canal	154,268	161,563	199,553	201,822	202,363	178,200	155,500
Agra Canal	56,566	61,390	60,100	54,280	49,042	62,500	50,000
Eastern Jumna Canal	85,667	106,547	105,908	102,516	120,738	114,100	94,900
Betwa Canal	7,585	7,455	10,229	8,547	7,392	5,500	5,000
Western Jumna Canal (including Sirsa Branch)	117,853	162,689	151,127	117,126	105,433	145,200	150,000
Chenab Canal	7,711	9,793	10,406	20,852	38,499	62,800	113,500
Bari Doab Canal	182,130	193,605	194,828	243,242	223,164	228,700	232,500
Sirhind Canal	133,917	168,523	201,595	243,032	108,665	95,600	120,000
Swat River Canal	24,941	25.048	20,369	28,922	25,599	28,000	28,800
Godavari Delta System	211,863	216,939	226,247	234,356	230,027	279,100	283,900
Kistna Delta System	155,120	172,508	178,801	180,144	191,122	237,500	248,200
Sangam Anicut System	12,091	13,073	888	16,250	16,651	24,200	25,900
Desert Canal	18,313	15,657	2,432	11,841	4,494	17,900	17,900
Begari Canal	26,902	21,758	23,690	33,501	31,433	32,800	33,200
Eastern Nara Works	44,661	41,096	39,241	43,348	42,987	38,900	58,700
Mutha Canals	20,087	21,286	24,038	21,996	24,415	26,400	31,400
Nira Canal	2,628	3,438	4,236	8,131	7,373	8,100	10,500
Other projects	154.047	141,218	133,274	154,659	176,636	185,900	188,500
TOTAL	1,822,350	1,993,679	2,077,926	2,233,036	2,096,611	2,235,700	2,280,000

APPENDIX II.—*continued.*

TABLE IX.—GROSS RECEIPTS, WORKING EXPENSES and Net Earnings of Irrigation, &c.—*continued.*

	ACTUALS.					Revised Estimate, 1894-95.	Budget Estimate, 1895-96.
	1889-90.	1890-91.	1891-92.	1892-93.	1893-94.		
	Rx.	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*	*Rx.*
WORKING EXPENSES:							
Orissa Canals	43,170	43,046	39,609	47,551	50,660	47,000	44,000
Midnapore Canal	20,067	19,925	25,733	18,658	20,123	25,700	31,200
Hidgellee Tidal Canal	2,572	5,197	4,867	3,177	5,422	5,000	5,000
Sone Canals	69,747	66,059	65,208	70,148	69,313	69,000	68,800
Ganges Canal	95,789	104,495	104,938	105,922	106,446	102,300	99,600
Lower Ganges Canal	90,792	88,981	84,774	83,174	80,401	80,600	81,800
Agra Canal	25,975	23,225	23,839	24,591	25,562	24,200	23,100
Eastern Jumna Canal	24,718	29,804	28,439	30,127	32,320	30,400	29,700
Betwa Canal	10,721	10,534	9,795	10,138	9,936	9,500	9,600
Western Jumna Canal (including Sirsa Branch)	47,917	56,050	48,207	49,092	61,307	65,000	72,000
Chenab Canal	9,823	8,051	10,724	25,327	30,911	44,500	43,400
Bari Doab Canal	56,970	56,593	72,424	67,691	56,009	61,000	58,700
Sirhind Canal	60,404	58,600	54,948	65,485	58,242	56,000	61,000
Swat River Canal	9,221	10,247	9,579	9,388	8,815	8,300	7,600
Godavari Delta System	46,792	56,050	51,569	54,694	46,490	50,100	50,600
Kistna Delta System	36,552	38,576	42,038	42,535	46,750	44,900	46,000
Sangam Anicut System	4,830	5,218	3,569	4,434	4,133	4,000	4,200
Desert Canal	3,690	3,715	11,152	9,422	8,525	13,000	3,800
Begari Canal	7,583	6,052	6,314	3,715	2,686	3,200	9,000
Eastern Nara Works	8,266	9,375	8,277	10,194	9,981	11,900	8,200
Mutha Canals	7,712	7,085	7,333	7,977	6,021	6,700	6,400
Nira Canal	2,466	2,734	3,882	5,175	5,491	4,500	4,600
Other projects	41,781	47,006	44,227	45,336	43,413	47,200	44,900
TOTAL	727,558	758,413	761,445	793,951	788,957	814,000	813,200
NET REVENUE:							
Orissa Canals	*—12,748*	*—9,145*	*—2,509*	2,215	*—13,003*	*—15,100*	*—11,200*
Midnapore Canal	7,694	3,795	2,737	9,360	10,371	*—500*	*—3,500*
Hidgellee Tidal Canal	1,623	*—2,893*	*—1,175*	2,169	498	1,500	1,000
Sone Canals	20,003	7,589	25,801	35,489	23,878	13,400	14,700
Ganges Canal	158,083	210,925	225,755	213,782	216,870	216,000	182,000
Lower Ganges Canal	63,476	72,582	114,779	118,648	121,962	97,600	73,700
Agra Canal	30,591	38,165	36,261	29,689	23,480	38,300	26,900
Eastern Jumna Canal	60,949	76,743	77,469	72,389	88,418	83,700	65,200
Betwa Canal	*—3,136*	*—3,079*	434	*—1,591*	*—2,514*	*—4,000*	*—4,600*
Western Jumna Canal (including Sirsa Branch)	69,936	106,639	102,920	68,034	44,126	80,200	78,000
Chenab Canal	*—2,112*	842	*—318*	*—4,475*	7,588	18,300	70,100
Bari Doab Canal	125,160	137,012	122,404	175,551	167,155	167,700	173,800
Sirhind Canal	73,513	109,923	146,647	177,547	50,423	39,600	59,000
Swat River Canal	15,720	14,801	10,790	19,534	16,784	19,700	21,200
Godavari Delta System	165,071	160,889	174,678	179,662	183,537	229,000	233,300
Kistna Delta System	118,568	133,932	136,763	137,609	144,372	192,600	202,200
Sangam Anicut System	7,261	7,860	*—2,681*	11,816	12,518	20,200	21,700
Desert Canal	14,623	11,942	*—8,720*	2,419	*—4,031*	4,900	14,100
Begari Canal	19,319	15,706	17,376	29,786	28,747	29,600	24,200
Eastern Nara Works	36,395	31,721	30,964	33,154	33,006	27,000	50,500
Mutha Canals	12,375	14,201	16,705	14,019	18,394	19,700	25,000
Nira Canal	162	704	354	2,956	1,882	3,600	5,900
Other projects	112,266	94,212	89,047	109,323	133,223	138,700	143,600
TOTAL	1,094,792	1,235,266	1,316,481	1,439,085	1,307,654	1,421,700	1,466,800

APPENDIX II.—*continued.*

CAPITAL ACCOUNT OF GUARANTEED AND SUBSIDISED RAILWAYS.

TABLE X.—ABSTRACT of BUDGET ESTIMATES of CAPITAL TRANSACTIONS of GUARANTEED and SUBSIDISED RAILWAYS, 1894-95 and 1895-96.

RAILWAYS.	AMOUNT IN RUPEES.			AMOUNT OF EXCHANGE.			AMOUNT IN POUNDS STERLING.		
	1894-95.		Budget, 1895-96.	1894-95.		Budget, 1895-96.	1894-95.		Budget, 1895-96.
	Budget.	Revised.		Budget.	Revised.		Budget.	Revised.	
GUARANTEED RAILWAYS.									
RECEIPTS.	*Rs.*	*Rs.*	*Rs.*	*Rs.*	*Rs.*	*Rs.*	£.	£.	£.
Madras	22,00,000	22,50,000	25,00,000	1,83,000	1,88,000	2,08,000	201,700	206,200	229,200
Bombay, Baroda, and Central India	28,75,000	28,25,000	30,50,000	2,40,000	2,35,000	2,54,000	263,500	259,000	279,600
Great Indian Peninsula	71,50,000	66,50,000	69,00,000	5,96,000	5,54,000	5,75,000	655,400	609,600	632,500
TOTAL	1,22,25,000	1,17,25,000	1,24,50,000	10,19,000	9,77,000	10,37,000	1,120,600	1,074,800	1,141,300
ADVANCES.									
Madras	19,00,000	21,00,000	24,00,000	1,58,000	1,75,000	2,00,000	174,200	192,500	220,000
Bombay, Baroda, and Central India	20,50,000	31,00,000	35,00,000	1,71,000	2,58,000	2,92,000	187,900	284,200	320,800
Great Indian Peninsula	45,00,000	48,50,000	43,80,000	3,75,000	4,04,000	3,65,000	412,500	444,600	401,500
Reserve	- -	3,27,000	- -	- -	27,000	- -	- -	30,000	—
TOTAL	84,50,000	1,03,77,000	1,02,80,000	7,04,000	8,64,000	8,57,000	774,600	951,300	942,300
NET RECEIPTS.									
Madras	3,00,000	1,50,000	1,00,000	25,000	13,000	8,000	27,500	13,700	9,200
Bombay, Baroda, and Central India	8,25,000	—2,75,000	—4,50,000	69,000	—23,000	—38,000	75,600	—25,200	—41,200
Great Indian Peninsula	26,50,000	18,00,000	25,20,000	2,21,000	1,50,000	2,10,000	242,900	165,000	231,000
Reserve	- -	—3,27,000	- -	- -	—27,000	- -	- -	—30,000	—
TOTAL	37,75,000	13,48,000	21,70,000	3,15,000	1,13,000	1,80,000	346,000	123,500	199,000
SUBSIDISED RAILWAYS.									
RECEIPTS.									
Capital received in India:									
Nilgiri Railway	6,25,000	- -	-	- -	- -	- -	62,500	—	—
Gain on Remittances to India:									
Southern Mahratta	- -	- -	- -	3,05,000	1,63,000	3,10,000	—30,500	—16,300	—31,000
Mysore	—	—	—	—	—	—	—	—	—
Assam-Bengal	- -	- -	- -	4,55,000	3,41,000	- -	—45,500	—34,100	—
Indian Midland	- -	- -	- -	3,44,000	2,16,000	1,11,000	—34,400	—21,600	—11,100
Bengal Central	- -	- -	- -	5,000	4,000	6,000	—500	—400	—600
Bengal-Nagpur	- -	- -	- -	1,05,000	66,000	1,27,000	—10,500	—6,600	—12,700
TOTAL	6,25,000	- -	- -	12,14,000	7,90,000	5,54,000	—58,900	—79,000	—55,400
WITHDRAWALS.									
Southern Mahratta	—1,00,000	—51,000	—1,12,000	—17,000	—8,000	—19,000	—8,300	—4,300	—9,300
Mysore	2,40,000	92,000	2,50,000	60,000	23,000	62,000	18,000	6,900	18,300
Assam-Bengal	37,47,000	33,06,000	60,59,000	11,45,000	11,02,000	27,54,000	260,200	220,400	330,500
Indian Midland	4,78,000	—1,77,000	—2,25,000	96,000	—35,000	—45,000	38,200	—14,200	—18,000
Bengal Central	29,000	28,000	63,000	7,000	7,000	16,000	2,200	2,100	4,700
Bengal-Nagpur	84,000	—7,000	1,26,000	19,000	—2,000	29,000	6,500	—500	9,700
Lucknow-Bareilly	1,23,000	1,12,000	40,000	46,000	- * -	- * -	7,700	11,200	4,000
Nilgiri	6,51,000	2,00,000	- -	- -	- -	- -	65,100	20,000	—
TOTAL	52,52,000	35,03,000	62,01,000	13,56,000	10,87,000	27,97,000	389,600	241,600	340,400
Net Withdrawals	46,27,000	35,03,000	62,01,000	1,42,000	2,97,000	22,43,000	448,500	320,600	395,800
GUARANTEED AND SUBSIDISED RAILWAYS.									
Net Withdrawals	8,52,000	21,55,000	40,31,000	—1,73,000	1,84,000	20,63,000	102,500	197,100	196,800

* Exchange omitted under the orders of the Comptroller General.

ABSTRACT of the Proceedings of the Council of the Governor General of India, assembled for the purpose of making Laws and Regulations under the provisions of the Indian Councils Acts, 1861 and 1892 (24 & 25 Vict. c. 67, and 55 & 56 Vict. c. 14).

The Council met at Government House on Thursday, the 28th March 1895.

PRESENT:

His Excellency the Viceroy and Governor General of India, P.C., LL.D., G.M.S.I., G.M.I.E., *presiding*.
His Honour the Lieutenant Governor of Bengal, K.C.S.I.
His Excellency the Commander in Chief, K.C.B., G.C.I.E., V.C.
The Honourable Sir A. E. Miller, KT., Q.C.
The Honourable Lieutenant General Sir H. Brackenbury, K.C.B., R.A.
The Honourable Sir C. B. Pritchard, K.C.I.E., C.S.I.
The Honourable Sir J. Westland, K.C.S.I.
The Honourable Sir A. P. MacDonnell, K.C.S.I.
The Honourable P. M. Mehta, M.A., C.I.E.
The Honourable Gangadhar Rao Madhav Chitnavis.
The Honourable H. F. Clogstoun, C.S.I.
The Honourable P. Playfair.
The Honourable Mahárájá Partab Narayan Singh of Ajudhiá.
The Honourable Prince Sir Jahan Kadr Meerza Muhammad Wahid Ali Bahádur, K.C.I.E.
The Honourable Mohiny Mohun Roy.
The Honourable Sir G. H. P. Evans, K.C.I.E.
The Honourable Sir F. W. R. Fryer, K.C.S.I.
The Honourable C. C. Stevens, C.S.I.
The Honourable H. E. M. James.

DISCUSSION OF THE FINANCIAL STATEMENT.

The Honourable Mr. *James* said:—"My Lord, in congratulating the Honourable Sir James Westland on his fortunate and satisfactory Budget, I should like to invite attention to one comparatively small item in the receipts which may possibly be overlooked by other speakers, but which seems worthy of special attention. I refer to the figures of the Post Office given in paragraph 179 of the Budget Statement. Your Lordship will see that for the first time this year a surplus is expected from the Post Office. It seems at first sight satisfactory that the Post Office of India, after defraying not only all postal work proper, but every kind of charge which the Finance Department debits to it, *e.g.*, the district post which is paid for out of provincial funds and local cesses and the management of the Savings Banks, which yields the Post Office no revenue at all, either in fees or commission, is now a paying concern. Forty years ago, when it was first started as an Imperial Department, the receipts from the Post Office were only 16 lakhs a year; now they have risen to 162 lakhs. Forty years ago there were only 645 post offices; now there are, I believe, over 10,000, and the Post Office of India to-day undertakes, in addition to the delivery of letters, many other branches of work for the convenience of the public—money orders, saving banks, value-payable parcels, life insurance, and even the sale of quinine. Following the example of Germany, the most capable and advanced postal administration in the world, the Post Office of India long ago went ahead of the London Post Office, having established, for instance, an inland and an overland parcel post, a system of insurance, and abolished re-direction charges, many years before these measures were introduced into England; and it is certainly satisfactory to find that all these facilities are now being given without any charge, however small, upon the general taxpayer. The main reason, however, why the Indian Post Office has been so successful is, that the Government of India have hitherto not looked

upon it as a source of revenue. As the receipts increased, the Government of India gave the Director General a free hand in expending them either upon increasing facilities or reducing charges, and of late years, so long as the receipts and expenditure nearly balanced, practically no questions have been asked. I feel, therefore, now somewhat sorry that a surplus has been shown, and for this reason. In these hard financial days I fear that the Finance Minister, who is bound to clutch at every item of income, however small, may look to the Post Office as a source of revenue, and, whatever improvements or developments may be suggested, that he will insist on the Director General showing an annually increasing surplus. I venture, therefore, to point out in advance that such a policy would be wrong and unjust to the taxpayer. When a Government undertakes to carry letters or parcels for the public, it is bound to recover the cost of service rendered and no more, and it is not entitled to make a profit (though all experience shows that it will do so one day) until it has reduced its charges to the lowest practicable point. Your Lordship is probably aware that the introduction of the penny postage in England resulted in an immediate loss of a million sterling, and 20 years after the introduction of Rowland Hill's reform the net postal revenue of the United Kingdom was still some hundreds of thousands of pounds short; but now the English Exchequer has an annual net revenue of some three millions sterling from the Post Office, and there is no reason why a similar profit, if not more, should not ultimately be made out of the Post Office of India. But I maintain that the time has not arrived when this should be attempted. True it is that with a quarter-anna post-card and half-anna envelope, sold for the value of the stamps upon them, letters can be sent in India as cheaply as in any part of the world. But some of our charges are too high. In money order and insurance business, for instance, we charge, I think, about 20 times the German rates, and our parcel charges are heavy. So it would be very satisfactory if, without making any pledge of course (for with an unstable rupee the Finance Minister must live more or less from hand to mouth), some assurance can be given that the Government of India do not yet contemplate making revenue out of the Post Office, but will spend the surplus revenues in reducing charges and extending facilities. As your Excellency is aware, for many years past there has been a strong feeling in the Punjab and Sind, which has been represented from time to time during the last seven years to the Government of India from both quarters, that the overland mail for those provinces should be conveyed direct between Aden and Karachi, which would save between two and three days, a matter of great importance to the commerce of those parts. Again, although our postage rate, half an anna for half-tola, seems reasonable enough, it is to be remembered that in 1877 the English Post Office reduced its rate from a penny the half-ounce to a penny an ounce, and the time should not be far distant when a tola, equal nearly to half an ounce, should be carried in India for half an anna. These are only examples of what any postal surplus can properly be spent upon. The late Professor Fawcett himself, one of the ablest Postmasters General whom England has ever seen, held that needlessly high postage was a tax on education, which tax he considered to be the worst of taxes. There is also one great reform which England and all great European countries have adopted, but in which India, for once, lags behind. I refer to the placing of the posts and telegraphs under one administration. The economy of the measure is obvious. Here in India we have already some 1,000 out of 1,200 telegraph offices worked by the Postal Department. Yet, if a skilled telegraph official comes round to inspect the instruments and wires and telegraph accounts, he cannot look into any postal detail, not even to verify the cash balance, while a capable postal superintendent, in like manner, keeps to his own side of the combined office. Both in the higher branches of the administration and in the local circles the ultimate economy in supervision and check would be immense. Broadly put, it means one man doing the work of two, and the longer the reform is delayed the greater will be the waste of money. I can imagine that, because there might be a slight increase of cost at first in constituting a central administration, the Finance Department may not like to face the reform just now. I know also that the Indian Empire differs in many important respects from any European country, and that the existing system even now works fairly well, owing to the cordiality and good sense of the officers at the head of the two departments. But it seems certain that, until

until the broad principle is recognised in India as it is in England, that a single postal and telegraph administration must lead to economy and to extended facilities of both kinds, the country will suffer. In the United Kingdom the number of postal articles carried per head is 74·1. In India it is only 1·29; but the population of the United Kingdom is educated. The population of India is 285 millions, of whom only 12 millions can read and write. India has over 10,000 post offices and 27,000 letter boxes, and already the average number of postal articles per head of literate population is 31, the lowest being 9·70 in Burmah, and the highest, 71, or nearly as many as in the United Kingdom, in Sind. If, then, your Excellency will remember how rapidly education is extending, you will recognise how vast will be the revenues of the Post Office before long, without necessarily a corresponding increase in expenditure; for, of course, the cost of a post office does not increase if even the number of letters posted are doubled or trebled, and the spread of education enables the Director General of Post Offices to extend the policy of employing schoolmasters and shopkeepers as postmasters for a very small monthly sum, far smaller than a whole-time *employé* demands. I have ventured to submit these remarks for consideration by your Excellency's Government *quantum valeant*, for I confess to having taken fright at seeing a post office surplus budgeted for. I would beg leave to remind the honourable Member in charge of the Financial Department of the dictum of his eminent predecessor, Lord Cromer, that the Post Office in India was looked upon by the Government of India as a great public convenience and not as a source of revenue. Your Excellency also, if I may be permitted to say so, has an hereditary interest in post office management, and my earnest hope is that in the interests of India your Government will pursue towards the post office and telegraphs the same liberal policy as your predecessors, and not strive to make a profit out of them yet: that will all come in good time. The post office and telegraphs are the most popular departments in India. The ordinary native official of the Tahsildar or Thanadar type, endowed as he is with power to arrest and condemn, is still approached with some timidity, or at least some reserve, by uneducated Oriental villagers. The post and telegraph offices the villager can approach without the smallest hesitation, and the services rendered in sending messages or money to village homes (out of 18 crores remitted through the Post Office in a year, by far the greater part is in money orders of Rs. 5 and Rs. 10) are just those which the masses can appreciate keenly. Every increased facility, then, given by the Post Office, not only contributes to improve the trade and wealth of India, but adds to the popularity and strength of the Government. For this reason I have ventured to comment on a departmental subject not usually touched upon, and I would conclude by reiterating to the Finance Minister the prayer to allow Post Office revenues to be spent upon the Post Office. His successors will benefit all the more from his refraining to touch those revenues for the present."

The Honourable Sir *Griffith Evans* said:—"My Lord, this Budget Statement is a very extraordinary one in several respects, and in one respect it is most encouraging. It shows a difference of over Rx. 3,000,000 to the good between the original and the Revised Estimates of Revenue for 1894–95, and it shows a surplus of Rx. 990,500 (roughly speaking, a million) as against an estimated deficit of Rx. 301,000. This is a most fortunate state of things, and looks at first sight exceedingly encouraging; but, when we come to examine it, it is not nearly so rosy as it looks. The reason for this is, that out of this Rx. 3,000,000 excess revenue beyond what was estimated for originally, one million and a half comes from opium, and it comes from it in this way, that out of this, 93 lakhs is due to an extraordinary rise in the price of opium—a rise from scarcity so great as to raise fears as to the competition from other countries. But this, at any rate, is a saving, while the other 61 lakhs, though appearing as a saving, is really an actual loss and comes out of capital. The raiyats cultivate opium for Government. Instead of giving shares in the produce, we pay so much a seer for it (a fraction of its value in the market). If there is no crop there is no payment, except so far as advances have been given. The result would be that if there was a total failure of the crop we should lose our whole revenue of, say, seven millions. Now what has happened is that we have had so short a crop last year that our reserve has been exhausted, and the consequence is that there has been a

very serious loss, and in order to realise the amount from opium we have had to part completely with our reserve. So far from being any sort of saving, it is really the same as if a zamindar who was having his zamindari cultivated upon a system of payment of rent in kind were to say in a year when there was no harvest that he had saved the one-half of the estimated crop which would have been the raiyat's share. The other improvements are, no doubt, real and are hopeful, and they are undoubtedly satisfactory. I note also in this statement that there are considerable economies, I am glad to see, in many directions, civil and military, which have kept the expenditure within the Budget Estimate. These economies have not, however, resulted in any apparent cutting down of the Budget Estimate, but have had the result of keeping the expenditure within the Budget Estimate, notwithstanding the enormous increase arising from exchange and other causes. I think we must all feel grateful to the Military and Financial Departments for having effected these economies; if they had not been effected, there would have been a great increase in the charges.

"As regards the Budget Estimates for 1895-96 one sees that for various reasons there is an increased charge of over three millions to be provided for (paragraph 40). This is met by an estimated increase of nearly two millions in Customs, including cotton duties, and by the other estimated increases mentioned in paragraph 48. The result is a surplus of 37 lakhs, of which 18 lakhs go to increase the pay of the Native Army, and 15 lakhs to the Chitral Expedition, and the estimate ends with a hoped-for surplus of 4½ lakhs. All of us must feel thankful that things have turned out so well, and that it is possible to budget for a surplus, however small, for the coming year. But, as the Financial Member has pointed out, nothing can be more uncertain than this result: firstly, so long as exchange continues as it is, so long as 1-10th of a penny in the exchange means a quarter of a million of rupees, and one penny means 2½ millions, one cannot but see that the calculation is as uncertain as if one had the money down upon a gaming table waiting for the spin of the ball; secondly, opium is not a certainty; we have not yet got our new crop, though prospects are good. Above all, we have the Chitral Expedition, which may be anything from half-a-million to 2½ millions. The 15 lakhs allotted have, no doubt, been more than spent already. This is the state of things after we have added to our resources by last year's import duties a sum of three millions annually.

"Now, as regards the Budget generally and the Budget Statement, I will not enter into any detailed criticisms. I have already last year expressed my views upon many of the points which arise, and will not go over old ground, and, as for many of the details which might be commented on, there are many other members of this Council better qualified to deal with them. I will therefore only notice a few points. The Commissariat charges to which I drew attention have been dealt with with good results, apart from the saving from cheapness of food this year. The increase of the pay of native soldiers which I suggested would have to be made some day, has been made, and none too soon.

"The increased price which it is proposed to give for opium is, I think, a wise and statesmanlike measure. It probably might have been done before, had it not been for the immense opposition which was aroused in England if any idea was mooted of increasing opium cultivation. It was looked upon as a sinful thing and as a sort of thing that would not be tolerated. I am glad to think that the result of the Opium Commission has diminished the power of the opium faddists to harass us in future, and the fact that the costs of the Opium Commission are to be paid for from the English Exchequer is a most eloquent comment upon the uselessness and impropriety of the agitation which they raised. I hope, as I say, that we have seen the last of this, but one can never be too sure, because I have always noticed that faddists of this kind are almost impossible to convert. It was probably this kind of person that vexed the soul of Solomon, and caused him to exclaim: 'Though thou bray a fool in a mortar, yet shall not his folly depart from him.' However, if the necessary steps are taken in regard to opium, there is hope that our revenue in future may be maintained from this source, although the competition is very considerable and increasing.

"Then as to exchange, it is a thorny subject, and I am not an expert, but I desire

I desire to draw the attention of the Financial Member to a valuable paper laid before us from the Currency Association dealing with the question from various points of view, and to ask him to announce his views, so far as it may be open to him to do so—and particularly as to the employment of the excess cash balances and their effect upon our exchange. Exchange is the vital question of Indian finance at present.

"As regards the home charges I am glad to see that the Secretary of State has promised a commission to deal with the charges debited, as we contend, wrongly to the Indian revenue. With regard to another point, nothing has yet been heard of the Secretary of State's inquiries into the question of whether import duty upon cotton yarn without excise would be protective between 20*s.* and 24*s.* I need not refer further to that point beyond saying that the Indian public await the result with interest.

"But the black financial cloud which hangs over this budget and the whole of our finances is the Chitral Expedition. The Financial Member congratulated himself in paragraph 26 on escaping the usual fate of Finance Ministers in having to deplore military expenditure. But his joy must now be turned into mourning. That the expedition is now necessary, and must be carried out at whatever the cost no one will deny; our soldiers are shut up in Chitral fort, and, cost what it may, it is necessary that they should be relieved; but the question universally asked is—how and why has it become necessary, and how and why do we have over 1,000 men in Chitral, commanded mainly by lieutenants with an occasional captain, and no military man of age or experience to direct operations. Expeditions must be sent out from time to time to punish savage frontier tribes when they persist in raiding into our territories. But there is a strong feeling that we have too many expeditions, and that sufficient care is not taken that our officers, political and military, should not get into positions or drift into quarrels which may render expeditions unavoidable. We have just incurred an expense of 28 lakhs for the Waziri Expedition,—Wano, where we were attacked is well within the Waziri frontier, and it does not seem necessary to have a camp there for delimitation. Possibly we shall next hear that it is to be permanently occupied, and roads made to it, and a grant made for that purpose. No sooner have we done with this than we have the Chitral complication, which, instead of lakhs, may mean crores.

"The questions that occur are, why Dr. Robertson went to Chitral with 400 men? Why, if he went there to see to the safety of his subordinates, did he not take them back to Mastuj?

"Why is it necessary to drive Umra Khan out of Kila Darosh without delay and without waiting to see who will be Mehtar of Chitral, and what will be the final end of the quarrels over the succession? It does not appear that Cashmere has called on us to eject him. He has a quarrel with Afghanistan over the Bashgol Valley, which must lead to his destruction before long without our interference. Why could not our officers look on at Mastuj and wait, instead of practically occupying Chitral, and with the manifest risk of getting shut up there?

"All one sees is this, that we are now undertaking an expedition through a most difficult country of precipices and rocky ravines occupied by these wild tribes—the Swatis and others—who may turn out entirely hostile to us, and that the expedition is an exceedingly difficult and costly one, and everybody is asking what in the world are we to get for it. How can we allow ourselves to drift into positions in which such expeditions are necessary in order to relieve officers in inaccessible mountains? One answer has been given, namely, that it is necessary to do this because we want a good road through Chitral to Gilgit. There is no doubt about the military value of that argument, because Gilgit is isolated the greater part of the year, and no one will deny that a road to Chitral and onwards will be most valuable from a military point of view. But that too will mean further expenditure in future.

"I see Lord Roberts is said to have stated that it is desirable to have a road throught Chitral to Gilgit, and he seems to think that will be the outcome of this expedition. But many think that we are pledged by the Government proclamation to the tribes, to come out again without interfering with tribal territories as soon as we have punished Umra Khan and released Robertson. If so, there will be no tangible result. The very general feeling is that we have no concern with fights for the Chitral succession, and that, so long as whoever

succeeds in killing the other competitors acknowledges the suzerainty of Cashmere, that is all we are concerned with. The method of election to the throne out there is to let the competitors fight it out, and acknowledge the survivor It is a form of competitive examination which tends (more perhaps than that which we have borrowed from China) to secure the survival of the fittest.

"I have spoken thus not from a desire in any way to embarrass the Government, which has now no option, but to give voice to the general impression that care and forethought and strong stringent orders to our political officers not to place themselves in positions which are likely to lead to complications of this kind might do a good deal to avert such disastrous results, and to promote further economy in the item of expeditions."

The Honourable *Mahárája Partab Narayan Singh of Ajudhiá* said:—"Your Excellency, it is with a feeling of considerable relief that we compare the Budget Estimate of the financial year about to end with that about to dawn upon us. The prospects at this time last year were as gloomy as the financial prospects of any civilised Government of the present day could be, and I sincerely congratulate the Honourable Finance Minister that he has been able to show us such marvellously good results within the brief space of twelve months only.

"My Lord, as I had the honour of stating last year, to my mind the Budget is not a mere official statement of the expected income and expenditure of the Empire. It is the one measure which, recurring every year, places before the Indian people a standard for measuring the devotion of the rulers to the interests of the ruled.

"It is a matter of congratulation that, by the re-imposition of the cotton-duties, the Government has seen its way to clear itself of the one serious charge so often brought against it, namely, 'neglect of justice to India in consideration of the interest of Manchester manufacturers.' But I am sorry to notice that this act of justice cannot be looked upon by the people of India without mixed feelings. The levying of an excise duty on certain classes of goods manufactured in India has been received by the Indian public with other feelings than that of approbation. It is a step which might hamper the growth of the mill industry in India,—an industry which at present is in its infancy, and which ought to receive from the Government more of its fostering care rather than be subjected to any measures likely to retard its progress. This subject deserves the consideration of the Government still more as the income derived from this source during the last quarter amounted to Rx. 12,500 only, and for the ensuing year the estimated amount is put down in the Budget at Rx. 75,000—a comparatively very small sum.

"The year which is about to close seems to have been one of great financial prosperity in respect of the increase in the income. The Financial Statement put before the Council in March last showed a deficit of Rx. 301,900. But I am glad to notice that one and a half crores more than was anticipated have been added to the opium revenue. The earnings of the State railways show an increase of over 73 lakhs. The re-imposition of the customs duties in the beginning of the year and that of the cotton duties later on have added another sum of Rx. 90 lakhs to the estimated income under this head. Had it not been for the further fall in exchange than estimated in the Budget for 1894–95, instead of the threatened deficit of Rx. 301,900, the Honourable Sir James Westland would have been in a position to announce a very large surplus.

"The Honourable the Finance Minister has shown that another chief item which contributed to what he is pleased to call 'a fair amount of progress towards the restoration of our fortunes' is the conversion of the 4 per cent. loans. The conversion of the 4 per cent. loans has been a success for the Government; and I notice that, for the most part, people were contented with a smaller rate of interest as they did not choose to get them discharged. But I fear that in many cases the rather sudden reduction of interest from 4 to 3½ per cent. would cause much hardship where people depended upon the fixed interest of 4 per cent. for their support. It is, however, in some measure, a consolation that nearly 97 lakhs were discharged, which would tend to show that to this extent at least people had become adventurous enough to invest their money

in

in trade, agriculture, or other kinds of business which would give them higher returns.

"Now I come, my Lord, to the real subject of discussion before the Council.

"Of the different sources of the anticipated income mentioned in the Financial Statement, there is one which requires more than a passing remark—I mean the land revenue. A very careful attention on the part of the Government is required in its collection this year in some parts of the Empire. In a good many districts of the North-Western Provinces and Oudh the autumn and the winter crops have proved a failure, and the prospects of the spring crops are not also very encouraging. Complaints of a similar nature are heard from the Central Provinces and other parts of India also. In order to tide over the difficulty it is hoped that in the matter of collection of land revenue the Local Governments will exercise their powers of suspension and remission more extensively, I am afraid that, unless the prospects do not improve soon, there are some districts at least in which the starting of relief works might become necessary to remove the distress of the people.

"Another feature of this Budget, which to my mind appears deserving of notice, is the cessation of the contributions from the Local Governments which the Imperial Government was obliged to take from them owing to the financial difficulties, This step will be viewed with satisfaction by the Local Governments concerned, as on account of these contributions last year they were obliged to put off many necessary measures of reform and to stop the construction of works of great public benefit.

"A gratifying announcement made by the Honourable the Finance Minister in his Financial Statement is the contemplated increase in the pay of the Indian sepoy. For about a century the pay of the sepoy has continued to be only Rs. 7 a month, notwithstanding the general rise of prices of all kinds of necessaries of life, and notwithstanding the fact that his services have in no small degree contributed to the establishment of the British Empire in the East. The announcement of this act of justice, I am sure, will be received with universal satisfaction and will tend to strengthen the hands of the British Government.

"The Government is to be congratulated on having effected some saving at least in the military expenditure of the past year. But on account of the frontier expedition at present undertaken by the Government, the actual military expenditure will, I am afraid, at the close of the year far exceed the amount provided for in the Budget, and no one can tell what financial difficulties might not be required to be overcome.

"My Lord, I may be excused for saying that the two most important factors which have disturbed the equilibrium of the Imperial Exchequer in the past, and which threaten to disturb it in the future are, one, the unsettled state of exchange, and the other, what is not inaptly called by one of the ex-Finance Ministers, 'the perilous growth of the Indian State expenditure.' These two factors are growing apace. The first one is beyond the control of the Government. With the reimposition of the cotton duties it must be said that all the legitimate sources of taxation have been exhausted. Unless some radical cure is adopted soon in the shape of the curtailment of expenditure, the ordinary measures of temporary relief will never be sufficient to remove the disorder."

The Honourable Mr. *Playfair* said :—"Having regard to the forebodings expressed a year ago, it must be a matter of relief to the public that the Honourable Member in charge of the Finances has escaped from the position he then deplored, and from the fate of Silhouette, the French Minister of Finance, who could contrive no other expedient to prevent a national bankruptcy than excessive economy and interminable reform, and whose name was in consequence made ridiculous as the proper word to describe the most economical sort of portrait.

"The elastic character of the revenues of India has again received illustration, but there is evidence throughout this Budget Statement of a masterly control of expenditure, tempered, however, with a liberal sympathy with the requirements of the Empire, that cannot but beget for the administrator the confidence and the approval of the public. A distinctive feature of the Budget, and one that will give it a place in history, is the reform of the charge for interest on the Indian debt, producing a permanent saving of no less a sum than Rx. 524,800

per annum. Posterity will have reason to recollect the achievement, but it may forget the circumstances—which the public of to-day are gratified to acknowledge that the scheme was undertaken during a period of much financial embarrassment, and piloted with an attention to time and opportunity that both ensured and secured success. Without dislocation of trade, interruption of the sale of Council Bills, or disarrangement of the money market, the people have found the burdens of the State relieved by this not inconsiderable sum. Of the Government securities on issue to the public, 73 per cent. are in the hands of European and 27 per cent. are held by Native investors; these proportions show the extent to which each community has been affected by the scheme for the reduction of interest on their investment. I am aware that Indian Government securities hold a unique position; that these are greatly resorted to irrespective of the rate of interest; that Government currency investments, trusteeships, and private estates, absorb large amounts which materially reduce the proportion of the State loans in the hands of the general public; but the position of the Honourable Member for Finance in this respect and his independence were far inferior to that of the Chancellor of the Exchequer of England, who controlled more than half of the 3 per cent. National Debt when it was converted in 1888 to 2¾ per cent. The general reduction that has been effected in the rate of interest is in striking contrast with the indifferent success that attended the attempt made by the Government of India in 1853 to borrow at 3½ per cent. The credit of the country to-day may be gauged by the success of the Honourable Sir James Westland's conversion scheme.

"It is a matter of importance that provincial funds will not be placed under contribution by the Imperial Government during the coming year, and that the Military Department will resume its usual allotment. I can only repeat the hope that, when the opportunity arrives, the assistance already taken by the Imperial Exchequer from provincial funds may be recouped and repaid, and that the Famine Insurance Fund will be revived, or the taxation initiated for that purpose be remitted. The increased rate of pay to be granted to our Native sepoys is a measure that will commend itself to the public mind. It will signalise Your Excellency's administration, and bring home to the Native soldiers of our Indian Army the solicitude that His Excellency the Commander-in-Chief has in their welfare.

"The continuous policy in the construction of Railways to which the Government has in this Budget Statement and elsewhere declared its adherence will be favourably received by the mercantile community. I would therefore express the hope that the cost of the military expedition about to commence on the North-West Frontier may not have the effect of modifying the programme set out in paragraph 205 of the Financial Statement. I am led to make this observation owing to the contemplated reduction of the cash balances to Rx. 16,062,688, a figure that, looking to the increase in savings bank deposits, can scarcely be considered too large. No one can contemplate a military expedition on the North Western Frontier without concern, and I await with much interest the explanations that may be forthcoming from the Honourable the Military Member in reply to the remarks made by the Honourable Sir Griffith Evans.

"In paragraph 34 of the Budget Statement, under the heading Excise Duties on cotton goods, it will be a disappointment to Indian spinners of yarns to find that the sum of Rx. 75,000 has been estimated as the Budget income of 1895-96. This is the income which it was suggested in December last by the Honourable Member for Finance that a duty levied on counts of yarn above No. 20s would produce. Spinners in this country await with keen interest the result of the Secretary of State's investigation of the facts brought forward by the Government of India with a view to the limit for exemption being raised to counts of 24s and under. Three months have elapsed since the Secretary of State promised to make this inquiry, and it will be a satisfaction if the Honourable Member can now disclose the result. In either case I think it may be said that the Secretary of State has 'got little money and lost a great deal of love.'

"A year ago I had the honour to direct attention to the apprehension that the price paid to the cultivator of opium was unattractive in being lower than that obtainable for other crops. It is a satisfaction to me to note that the Government of India has now decided to raise the rate. I would express the hope,

hope, now that Government is liberated in the matter of opium administration from the irresponsible and misguided clamour of English faddists, that it will endeavour to improve the finances by a wise, because common sense, attention to this legitimate source of revenue. After examining the statistics of the past thirty years, I am led to the conclusion that, when high prices of food-grains have afforded to the cultivators better paid crops than opium, the yield of opium has been greatly decreased; that when Government has desired to contract the cultivation it has lowered the price, or has abstained from raising the price; and that whenever Government has had occasion to increase the cultivation it has had to raise the price. The honourable Member has referred to a series of bad years which have discouraged cultivators. I find during those years the price of other staple products has risen greatly, and I am inclined to think that the deficiency in the production of opium is because there has been no rise whatever in the price paid to the cultivator since 1880. In paragraph 57 of the statement the honourable Member remarks that India has long ceased to have a monopoly of opium supply in China. I would surmise that this is the result of the supply of Bengal opium being insufficient to meet the demand, and that restricted sales have simply created the trade in Persian opium as well as induced the production of the drug in China itself. It surely is not beyond the capacity of a great monopolist of the opium trade like the Government of India, if it so desires, to send a full supply to the markets both of China and of the Eastern Archipelago, and thus retain firm possession of both, instead of, as under the present policy, receding from the China market, thereby destroying our prestige as producers and handing over a portion of our trade to Persia. A saving of Rx. 160,000 in the opium expenditure of the past year is no gain, as the honourable Member has remarked, when it is the result of a short crop. The total depletion of stocks is a serious matter, and I find has not occurred since the year 1872–73, whereas reserve has stood as high as 49,705 chests in 1889–90. I would like to enquire whether, in view of the evidence recorded before the Opium Commission, Government will not meet the wishes of the Burmese and resume the sale of opium in that country. In the Budget Estimate of 1893 the prohibition was stated to involve an annual loss of revenue of Rx. 150,000. I would enquire as to whether the interdict against the use of opium in Burma has not led to an extensive and most undesirable system of smuggling. I hope that the remarks I have made will be acceptable to my honourable friend who is about to assume the high office of Chief Commissioner of Burma, and that during the coming year he may be able to place this question upon a healthier footing than it stands at present.

"I take it to be a matter of some importance to the Financial Department that as large as possible a share of the revenues of the country should be expended in the country, and at the meeting of the Council on the 14th of February I asked a series of questions, hoping to secure the promise that a more liberal purchase of stores would be made in India itself, instead of by indent upon the Secretary of State. If I am correct in assuming that the cost of labour associated with many of the articles purchased by Government represents from 40 to 60 per cent. of the whole, there must be a material loss of income to the people of this country upon indents passing out of it. By purchasing stores locally, the Government would not incur that risk of a falling exchange which merchants have long since found it impossible to undertake. I do not assume that local purchases would either avoid or solve the exchange difficulty, but it is probable that, if the Secretary of State's drafts were to be reduced by 2,000,000*l.* per annum, the cost of stores being financed in the ordinary mercantile manner in India and not in London, the rate of Council Bills might, to some extent, be benefited thereby. Lord Cromer at least gave contenance to this idea when, in his Financial Statement of 1881, he remarked:—

> 'It is the opinon of those who speak with the authority of long practical experience, that the effect on exchange of the amount which India has annually to remit to England would not be so oppressive if the Bills to be placed on the market were more equally distributed between the Secretary of State and the public.'

"But, my Lord, in fairness to those who are endeavouring to develope the resources of this country, and in justice to the large body of artisans who have learned their trade under the institutions of the country, including the technical

schools to which the Government has directly contributed, the question of the purchase of supplies in this country ought to be regarded as a matter of great importance. I appear to be justified in saying that Government resolutions favouring the extension of technical education, Viceregal speeches proclaiming the necessity of industrial enterprises, and the Secretary of State's acknowledged concern in the well-being of the landless classes, must become mere platitudes if, while private enterprise is doing its best to revive indigenous industries and establish industrial works, the Government of the country, which must necessarily be the largest and most important purchaser of such manufactures, not only holds aloof, but purposely withdraws its custom from the country in favour of other sources of supply I am not now concerned in discussing the question whether a Government should or should not foster for the benefit of its people industries in their infancy; nor do I propose that the Government of India should adopt the example set by America, by the Colonies, and by nations on the Continent of Europe; but I desire to urge that, if Government is not a purchaser of local manufactures, industrial works cannot reach a high standard of excellence, and the mineral resources of the country cannot be adequately developed. To sum up the position, under existing conditions the iron trade of India can never become an industry at all commensurate with the domestic requirements of this country. The time, my Lord, has passed when objections may be set up against the purchase of stores in India on account of inferiority of quality, want of testing appliances, or loss of competition. The quality of material will be the same, as the same sources of supply are open to both the English and Indian manufacturers. Testing appliances now form a part of the equipment of our principal workshops, and from among the Royal Engineers and Civil Officers of the Public Works Depament I do not hesitate to say the Government could obtain as efficient a staff of inspecting officers as the Director General of Stores at the India Office has at his command. If the Government calls for tenders in India, British manufacturers will quickly represent themselves in India. Suppliers not on the Secretary of State's exclusive list will welcome this as affording them an opportunity to tender for work, and Government will reap the benefit in prices. As an additional check upon prices, Local Governments and Administrations, as the Government of India has already pointed out, might in cases of doubt ask the Director General of Stores at the India Office, by telegram, for approximate rates including the prevailing rates of freight, in order to check the relative prices of English and Indian tenders. I do not see why the Government of India should deny itself the benefit of commercial competition, and should not throw the risk of carriage and of stocks upon importers by purchasing supplies in India, whether these be of local or foreign manufacture. 'Fashions change as regards stores as in other commodities,' wrote the Finance Committee, 'and the numerous store yards in the country are full of obsolete articles.' That the material imported by India is of a low grade of quality is undisputed. The people are poor, and unless their wants can be supplied cheaply, they cannot be supplied at all. An inferior article is better than nothing, and hence a large demand has arisen for low-priced material, and articles of foreign manufacture in most cases are specially prepared to suit the calls of the Eastern trade. Therefore, when in a moment of emergency Government calls for supplies from local markets, the quality, although fairly representing the price charged, may not be equal to that usually imported by Government direct from home. But, because a large trade is done in a low class of goods, it would be extremely unfair to argue that anything better is not available. At higher prices proportionately better goods are obtainable, and, if at present these supplies are limited, it is owing to the diminished and small demand for them. Traders cannot be expected to bear the loss of keeping stores for emergency purposes, unless they receive State support.

"Under the circumstances I have indicated, prices for such retail and occasional purchases can never with any degree of fairness be compared with the cost of goods bought wholesale under regular custom. It thus happens that Indian supplies have never had the chance of being fairly contrasted with the cost of the Home indents, including the true rate of exchange, interest, and the fixed charges of the Stores Department of the India Office. My Lord, bearing in mind the dangers that might beset the Empire in the event of communications with Great Britain being interrupted, or an unexpected demand arising if India is separated

separated from that source of supply without having industries of her own to fall back upon, I respectfully ask if it is not incumbent on Government, as a matter of protection to the Empire, apart from the economic advantage which I have claimed for the system, that Government should resolve to give practical encouragement to local industries and to the development of technical education. My Lord, I ask the Government to give practical effect to this policy, for the value of a resolution issued on the subject in 1891 has been minimised, by departmental restrictions, to the purchase of dobbin carts, hand foundry ladles and dollies, articles indefinitely understood by the trade, but believed to be of small value, and certainly not deserving of the costly testing machinery insisted upon by Government for the examination of the quality of supplies. From time to time the Financial Department has issued resolutions upon the purchase of stores procurable in this country, but the liberality vouchsafed has been restricted. In one case pasteboards and brass rules for printing have formed the subject of consideration, in another instance ivory slices or paper cutters and plain ink glasses with screw-off tops are set forth as procurable in India (perhaps, my Lord, the article in front of honourable Members is the product of this historical record); another resolution refers to sundials and sulphuric acid, another to handcuffs and ball-bags, and in case I weary the Council I shall lastly refer to a resolution of the Financial Department recommending that glue-pots, iron shooting sticks, and scissors, be procured locally.

"I do not ask Government to entirely abandon the purchase of stores at Home. But I do urge that the Government should call for tenders in India for manufactured articles made up from imported materials, including structures of iron and steel, of dimensions equal to those already successfully constructed by Indian manufacturing firms. I seek that the Public Works Department should follow the example set by the Military Department as described by my honourable friend the Military Member of Your Excellency's Council when on the discussion of the Financial Budget two years ago. He said:—

> "'We are now manufacturing in India clothing and boots for the whole Army of India which were formerly made at Home; we are making ammunition for the Army; we have introduced the manufacture of steel for the projectiles of our heavy guns; and we hope shortly to introduce the manufacture of cordite, the new smokeless powder, for which we are at present dependent on England. I need not say that all this means money spent in India instead of in England, and that it adds to the expenditure shown in the Indian Estimates; but it will undoubtedly, in the near future, cause not only a corresponding, but a greater, decrease in the Home Estimates, because'—

and, my Lord, I desire to emphasise the concluding remarks made by the honourable Member as follows:—

> "'because it has been distinctly shown that we can manufacture in this country, bringing the capital afforded by the State to the cheap labour of the East, much more cheaply than the same articles can be manufactured in England.'

"I feel I am within my duty making this appeal, not only in justice to the important industrial interests of the country, and the claims of the population to have enterprises which promise new avenues for employment fostered and encouraged, but also with a hope of effecting economy in the public expenditure, both by actual saving in the cost of articles purchased locally, and by avoiding delays that are sometimes inevitable when the articles have to be procured by indent on England. And, further, I seek this in order that the requirements of the State may be supplied as much as possible from the resources of India, which, I maintain, the dislocation of the currency has made a pressing necessity. In the report of the Finance Committee a complaint was made of the excessive delay caused in the execution of indents by the Stores Department of the India Office, and I think I am warranted in believing that on account of these vexatious delays officers of the Government of India would be glad if they could make less use of the Director General of Stores. I am led to understand, my Lord, that the Stores Department of the India Office costs 42,000*l.* a year, and employs, it is said, 600 out of the 1,200 persons that are engaged in the India Office. I cannot help thinking it would be a gain to India if the greater part

of this sum of eight and a half lakhs of rupees could be saved. Year by year new trades have been developed and the ability of local enterprise to undertake large works has increased; this should be followed by a reduction of orders on England; it should lead to the spending of more money in the country, to the more economical administration of the country by a saving in loss by exchange. Our Indian manufacturers look for no monopoly. All they want is permission to meet their English competitors on equal terms, and on the understanding that, everything else being equal, preference will be given to the men who spend in the country the money necessary to the production of the articles required. Before concluding, I would respectfully express the hope that, in response to the representation made by local firms of engineers, your Excellency will be pleased to remit the Customs duty of 1 per cent. levied on raw material, notably of iron and steel, which I find under paragraph 34 is estimated to produce Rx. 206,600, so that Indian manufacture may not suffer from what is practically protection extended to the importation of machinery, which is admitted free of duty."

The Honourable *Gangadhar Rao Nadhav Chitnavis* said :—" My Lord, last year I described the Finance Minister as a man who is required to swim with his hands and feet tied, and certainly such a man excites all the greater sympathy when the tides are adverse and the waters rough. I therefore congratulate the honourable the Finance Minister on his being able to say that he now finds himself in smoother waters, and that he is able to dazzle our eyes with the mirage of a surplus this year. Surplus, my Lord, is indeed a word which has not been heard of very often of late years in connection with Indian finance. The mere mention of it rejoices the heart of the Indian tax-payer, for at all events it means for him no fresh burdens of taxation, and I doubt not it equally rejoices the Government of the country, for certainly no humane Government could feel cheered up at the prospect of overtaxing its subjects and starving them in the long run. I am aware, my Lord, that the view is urged in certain quarters that the financial arrangements of the Government of India are, as a policy, so regulated as to exhaust the very last resources of the taxpayer, and to further foreign interests in total disregard of the interests of the children of the soil. My Lord, it is an opinion against which I would give the most emphatic possible protest, for with such a policy as a whole no Government in the world could have more than a most ephemeral existence. Rightly or wrongly, India is sometimes likened to the goose that used to lay golden eggs; but who would be so foolish, my Lord, after the fable has grown pretty old in the world, as to kill the goose for the sake of enriching one's self all in one day? The best interests of England and the English Government can only be served by looking first to the interests of the ruled and then to those of the ruling country; and, if any Government in power reverses this policy, or disregards it even for a moment, future Governments have to pay the penalty, and I am not sure that the present straits of the Government are not said to be to some extent the inevitable result of overlooking this far-sighted policy some time in the past.

" The policy, however, which has mainly guided the English Government in this country hitherto, and which will continue to guide it so long as England can produce such far-sighted statesmen as we see at the present day, will, I venture to hope, be that policy which was well defined some twenty years ago by the late Prime Minister. ' Our title to be in India,' said Mr. Gladstone, ' depends on a first condition, that our being there is profitable to the Indian nations; and on a second condition, that we can make them see and understand it to be profitable '—a statement which calls to my mind the words of another great statesman, a former Viceroy of India, I mean Lord Lawrence, who said that ' light taxation is the panacea for foreign rule in India.'

" When, therefore, my Lord, the Government is able to announce that it has to impose no further burdens upon its subjects, I feel that the pleasure is shared by both governed and governors alike.

" At the same time, my Lord, I cannot but think that, despite the best wishes of the Government, the Indian taxpayer is well nigh bent double with his burden, and that any additional pressure could only break his back. The best proof of this, I believe, is the imposition of the cotton duties, a measure which secured for the Secretary of State such strong opposition from a very influential section of the British public, and which, I believe, he would have held on refusing

refusing to accede to, had there been open to him any further ways of taxing the Indian people without a marked and glaring injustice.

"With regard to such duties, or rather the excise duty, I notice, by the way, that the Secretary of State is reported to have said that, if it should appear that the Government has drawn the line too high, he would consult with the Indian Government with a view to lower the limit, or, in other words, to render the excise duty more burdensome. This does not, to my mind, seem precisely the same language as was used by him when the excise was introduced in this council, for he then gave us to understand distinctly that, if the limit of 20 was lower than necessary to avoid protection, the Government would have power to raise the limit, and, in fact, he promised to raise the limit if facts in his possession should be borne out. There is no doubt, however, the Honourable the Finance Minister will be able to tell us the true explanation of these words. One cannot, however, conceal from one's self that the result of all these trade restrictions is to further ruin the export trade in Indian-made cottons, already seriously injured by the currency policy of the Government in closing the mints. I see that the British Consul, Mr. Whitehead, estimates this policy as a bounty of over two million pounds sterling paid to Japanese manufacturers.

"But, however much I might congratulate the Honourable the Finance Minister for having, with the help of such means as he has enumerated, steered himself into smoother waters, I cannot but feel concerned at the gathering clouds in the North-West horizon, which, I am afraid, bursting ere long, will bring back all his troubles in an aggravated form and scatter his surplus of Rx. 46,200 to the winds. The notes of warning I should be inclined to read in more than one sentence uttered by the Honourable the Finance Minister on Thursday last. 'This is not to be understood,' said he, referring to the Rx. 150,000 set aside for the preparations in connection with the Chitral operations, 'this is not to be understood as an estimate of the probable cost of these operations if they are undertaken.' Since last Thursday we know that they must be undertaken, and the worst predictions of the public will be realised.

"I can only wish, my Lord, that the fate which the Honourable the Finance Minister says has awaited him this year may also await him at about this time in the next, that is to say, I wish that he may not have 'to wind up, after enumerating the causes which have contributed to producing in the Revised Estimates a better result than the Budget Estimates, by deploring a mournful set-off in the excess of military expenditure.'

"My Lord, I join with the Honourable the Finance Minister in viewing the financial position as quite unsafe until the Famine Insurance Grant has been renewed, and I regret to see that there is but little indication of its being restored in the near future. The subject has been talked of so much since last March, both here and in England, and its importance so clearly made out, that I feel sure your Excellency's Government does not stand in need of any further expression of views on the subject on my part.

"My Lord, there is one item in the Budget which gives me the greatest pleasure to read, and that is the fact that the pay of the native sepoy will, from July next, be raised from Rs. 7 to Rs. 9. I am sure that, when it is announced to them that this has at last been brought about by very strong representations by his Excellency the present Commander-in-Chief, Oriental loyalty and gratitude will seek vent for themselves, and they will give three cheers for his Excellency and three more for the Government of India. It is true, no doubt, that the importance of the matter was realised by the Government just after 100 years, during which period the value of commodities has, in many cases, quadrupled; but, as the saying goes, better late than never.

"In congratulating the Honourable the Finance Minister, as I sincerely do, upon the success which has attended his conversion operations, there is one point on which I should like to dwell an instant. Many public institutions, which had invested their funds chiefly in Government securities, and which are dependent upon the interest of them for their support, have suffered, and will in the future suffer, greatly; and I leave it for your Excellency's Government to consider if the support which is thus taken away from them ought not to be made up for by some other slight concession in their favour.

There appears also, to be some precedent for this, for I notice that the younger members of the family of the late Mahárájá Dhuleep Singh, who had 72,000*l.* of 4 per cent., have been awarded in lieu thereof 96,000*l.* of a 3 per cent. stock.

"I am glad to observe from the Financial Statement that the Government of India recognised the necessity of suspending the collections of land revenue in the Central Provinces during 1894-95 owing to failure of crops in parts of those provinces. Yet I read with no little concern that the whole revenue which was thus postponed, re-appears, not in instalments, but all at once in the Budget Estimate for the coming year, together with the entire revenue for that year.

"So far as I am informed, and I have good opportunities of being well informed, the state of crops this year has by no means improved, if it has not, on the contrary, grown worse than last year. It was only the other day that a deputation of the leading citizens of Saugor, on behalf of the people of the Saugor District, waited upon the Chief Commissioner to represent to him the state of the *kharif* crops in their district, which had been entirely ruined through excessive rain. They showed that there was no hope of the outturn being more than two annas in the rupee, and also that the prospects of the *rabi* crop were not hopeful either. A considerable area of land has remained untilled for want of seed and funds for payment of labour. The linseed crop and, in many cases, the wheat crop, have already been damaged by rust. What has been said about Saugor might be said with equal truth about Wardha, Bhandara, and some other districts of the province. The people, it is said in the local paper just to hand, have a very gloomy future before them, and they are likely to suffer another famine more terrible in its effects than the previous one.

"Such being the prospects of crops in my provinces, I am quite confident that postponements of revenue will be still more urgently needed in this coming year than in the one about to expire, and that the Budget Estimate of the land revenue in my provinces has been fixed at rather an impossible figure. This figure alone, if properly estimated, would, in my opinion, convert the surplus into a deficit.

"With this question of failure of crops is intimately connected the question of the indebtedness of the agricultural population, which has of late years attracted deserved attention from the Government. There has been continued failure of crops for some years, and the Government considered it needful to suspend the collection of revenue. This year the Government comes forward to realise its past dues all in one year, and that a year of scarcity. The only recourse open to the agricultural population to pay their dues is, therefore, to borrow at high rates of interest and ruin themselves beyond recovery. Under circumstances such as these, the idea occurs to me of going back to the old Indian methods of remission of Government revenue in part and realisation of rent in kind. This, I think, is a very possible means of saving the agricultural population from further indebtedness and improving their condition.

"With regard to the forest revenue of my provinces, it will be remembered that last year I put a question here, asking the Government of India if it would consider the advisability of reducing the grazing dues and forest rates of the Central Provinces, which pressed very hard upon the agricultural population. I take this opportunity of thankfully acknowledging the very sympathetic reply of the Government, promising to commend the subject to the continued attention of the local administration; and it is a great pleasure to me to say that the Government has since given a still wider effect to its promises, by publishing a general Resolution, applicable to all provinces alike, laying down a policy of leniency as to the supply of forest produce for domestic use, and in the matter of grazing over forest lands—a Resolution which, in my provinces, was hailed with such feelings of delight and gratitude that public meetings were held in many districts thanking your Excellency's Government for the very just concessions granted to them.

"With regard to this forest question again, my Lord, it is urged that we spend more for the conservancy and improvements of forests than what we get in return. It is supposed that a larger growth of trees would make rainfall more regular. This proposition is not universally admitted to be true. But, even if a greater regularity in the rainfall could be insured by the improvement

of

of our forests, are we not perhaps paying rather a heavy rate of insurance, considering the uncertainty as to how long we must pay this rate before we get any tangible results?

"I am glad to notice that the cost of the Opium Commission has fallen on the right people, and that an important principle has been decided, namely, that the people of India will not be mulcted in items of payment which should justly be met by England.

"With regard to the exchange compensation, my Lord, whatever may have been the justice or polity of it, I do not propose to do more than say one word in reference to the difficult issues it has involved. Like the famous apple of discord, it seems to have raised far more heartburnings amongst its recipients than almost any other question, and an amount of hatred, envy, and malice, has been excited by it which I am sure the Government never foresaw. The amount of the compensation is, I notice, almost the same as the amount of the cotton duties, and I may perhaps safely say that but for this extra amount the cotton duties need not have been raised at all, and we should have been spared the bitter antagonism now being displayed in Lancashire over this question, and the humiliation of being made the battle-ground of English party strife, and we should also have been spared the raising of questions of infinite importance to India, the raising of which, unless solved, is almost a disaster. Truly I may say that the grant of exchange compensation has been like the fabled dragon's teeth sown by the sorceress Medea!

"My Lord, I would not like to take up the time of the Council with any further criticisms in reference to the Financial Statement presented this year: so far as it goes, it is no doubt a very favourable one. It is perhaps very unkind for a non-official member to criticise the Budget Statements of such critical years as we are passing through, for, while he is almost by nature inclined to point out that there might be greater savings in every department of expenditure, the Government perhaps thinks that it had already done its best to effect it. A non-official member is perhaps too inclined to think that the ever-increasing military expenditure of the country ought to be effectually reduced, and that the internal reforms of the country should be taken up in right earnest, such questions as, for instance, the separation of the executive and the judicial, which I believe would tend (though it may sound paradoxical) to strengthen the executive, better prospects of pay and promotion to the police, greater aids to education, longer periods of settlements, etc., etc. The importance of questions such as these, in a financial crisis like the present, are necessarily lost upon the Government, and a non-official member thus performs a somewhat thankless task. His views are resented by the Government as inopportune, and he is unable to secure any benefit for the people he represents.

"But, whether or not the Government be in a position to accept the suggestions of non-official members given out in this chamber from year to year, it is easy to see that the position is this. Our expenditure is every year increasing, and there seems to be no limit to the increase. On the other hand, the sources of income as at present constituted seem to have reached very nearly their last limit. India has been known through ages to be a very rich country, perhaps the richest in the world. But to-day she is hardly able to bear the costs of government; for surely it means nothing else when year after year we find ourselves face to face with liabilities greater than our assets, and the Finance Minister at his wit's end to make expenditure and income meet. What would a private individual under such circumstances be driven to? Either he would seek an asylum in the Insolvency Court, or, if he had any hopes of solvency, he would reduce his expenditure. One only hope there seems to be, namely, in making the internal resources of the country ten times more productive that she may be able to pay her expenses. The importation of machinery and capital, the spread of commerce and improved methods of cultivation, would seem to have done a good deal in the right direction; but much more must yet be done, and it would be idle to expect our financial situation to be based upon anything like a permanent and natural foundation, so long as this has not been fully effected by the Government.

"In conclusion, my Lord, I would like to add that, in offering such criticisms of the Financial Statement as I have been able to make, I have acted in no carping spirit, but with an earnest desire to fulfil my duty to my people, and to

effectuate the object of my presence here in your Lordship's advisory Council. I would not do your Excellency's Government the injustice, my Lord, to believe that, summoning to an enlarged Council natives of the country conversant with the feelings of particular provinces or classes of the population, you do not earnestly wish for the real expression of their views, and I should in fact be guilty of a want of confidence in the Government if I did not speak plainly the thoughts that pass through our minds. Finance is so intimately connected with taxation, and taxation with good government and polity, that I have deemed the present the best moment to give my views. Evil we know is done by want of thought as well as want of heart, and I and the people whom I have the honour to represent feel that many, if not most, of the misunderstandings which arise between the rulers and ruled in this country are the result rather of ignorance than want of sympathy, and that such ignorance is often a matter of the sincerest regret on the part of the Government. It is therefore in the best spirit of loyalty that I have said what I had to say, a spirit expressed so nobly in the words of Milton that I can scarcely end better than by quoting them as an expression of my views :

> "'For he who freely magnifies what hath been nobly done, and fears not to declare as freely what might be done better, gives ye the best covenant of his fidelity and that his loyalest affection and his hope waits on your proceedings.'"

The Honourable Mr. *Mehta* said :—"My Lord, in presenting the Financial Statement for 1893-94, Sir David Barbour concluded his remarks on the existing position and future policy by saying—

> "'Even under present circumstances, when the horizon is dark with the approach of what may prove to be the greatest financial convulsion of the present century, I do not draw back from the opinion I formerly expressed that the revenues of India are adequate to meet her wants ; but I wish to say in the most emphatic terms that, if the ship of State is to pass successfully through the storm which she is now entering, our measures must be taken in due time, must be regulated by prudence and forethought, and must be carried into execution with strict regard to economy.'

"Many things have happened since then—currency legislation and new taxation—and now in a letter to the English *Times*, dated the 16th February of this year, Sir David Barbour again sees occasion to emphasize the urgent need of practising the old-fashioned virtue of economy. 'I am not one of those,' he says, 'who believe that India is on the verge of immediate bankruptcy, but I hold, and hold very strongly, that the Indian finances require at the present time the most careful and economic management.' It is from this point of view that I propose to offer a few observations on the Financial Statement that has been explained to the Council with a clearness and ability for which we cannot but be thankful. There can be no doubt that the right of discussing it, which has been bestowed upon this Council by the Indian Councils Act, 1892, is a most valuable privilege with large possibilities for the future. At the same time it is difficult not to feel that there is an element of unreality about it, arising from the peculiar position occupied by the Financial Member in your Excellency's Executive Council. In a very recent debate in the House of Lords, Lord Salisbury is reported to have borne testimony to the preponderating influence of the British Treasury and the Chancellor of the Exchequer in the counsels of the Ministry, and to have said that, 'when the Treasury lays its hand upon any matter concerning the future development of the British Empire, the chances of an Imperial policy are small.' The position of the Indian Finance Minister seems to be very nearly the reverse of that of the British Chancellor of the Exchequer. The vulgar gaze is not allowed to penetrate behind the thick curtains that enshroud the sanctuary, but the priests of the tabernacle are sometimes human enough to disclose partial glimpses of the mysteries within. In a valuable paper on 'The Perilous Growth of Indian State Expenditure,' which may well be styled the Confessions of an Indian Finance Minister, Sir Auckland Colvin says that 'a Financial Member of Council is not at liberty to express in his annual Financial Statement his personal point of view on the collective policy of the Government of which he is a member.' But, freed from official chains, both Sir David Barbour and Sir Auckland Colvin, who between them represent the financial

period

period between 1883 to 1892-93, have recently acknowledged that the constitution of the Government of India is such that there is no efficient control over expenditure, and that every Member of the Council, except the Financial Minister, is not only irresponsible for financial equilibrium, but is directly interested in spending, and, as a matter of fact, overpower all his appeals for economy and reduction. It is because we can never be sure that the views expressed in the Financial Statement are those of the Finance Minister himself, that the unreality of which I spoke creeps in. I do not mean to say that these views are not necessarily his own, but, official as his utterances must be, there can be no assurance that they are also personal. I am aware that last year Sir James Westland took the opportunity of proclaiming the harmony which prevailed between him and the heads of the Military and Public Works Department. I think he even went so far as to give expression to his high appreciation of the generosity with which the Honourable the Military Member (General Sir Henry Brackenbury), taking pity on him at finding him 'grovelling in the dust-heaps among fish-maws and sharkfins' to meet a deficit of 3½ crores, gave up to him, with tears in his eyes, stray 'kerosine-lamps, sweepers, and hob-nailed boots.' And yet wonderful things have happened before, and wonderful things may happen still, and we may yet find the present Minister joining, in not a distant future, the noble band of financial knights who consider that the great peril to which Indian finance is exposed, lies not so much in exchange as in increasing expenditure. I do not deny that he is still firm in the gospel which he preached last year in introducing the Indian Tariff Bill, when he said that exchange, and exchange only, was the burden of his song. It may be that he himself may cherish this faith for evermore, but those who had the temerity to disagree with him can now derive some consolation from the fact that their discredited views are now endorsed by the two eminent financiers who were his immediate predecessors in succession. In a representation addressed last year to this Council (dated 12th March 1894), the Bombay Presidency Association ventured to point out that, disturbing as was the factor of falling exchange, the true causes of financial embarrassment lay more largely still in the disproportionate growth of expenditure. In dealing with that representation, the Honourable the Financial Member was very facetious over the pretensions of native amateurs to show the most distinguished service in the world how they ought to govern India, and his mirth was especially aroused at their pretensions to teach him how to manage Indian finance.

"My Lord, I do not complain of the humorous shrift we got at the honourable Member's hands, for it is the old quarrel between the author and his critics. Whenever the criticism is unfavourable, the author turns round upon the critic and contemptuously challenges him to construct instead of simply finding fault. Still, criticism is acknowledged to have its uses, and, though we may not be able to govern ourselves, we may not be so utterly useless in the humbler task of showing the pitfalls and smoothing the road. A year, however, has not elapsed since the contention of the Association was scoffed at and ridiculed, and we find that that very contention is sustained by one of the honourable Member's predecessors. The representation of the Bombay Presidency Association was reproduced in a note presented to the Secretary of State for India by the British Committee of the Indian National Congress. In his paper on 'The Perilous Growth of Indian State Expenditure' to which I have already referred, this is what Sir Auckland Colvin has got to say about it:—

> "'The body which calls itself the Indian National Congress has not hitherto shown itself in my judgment very practical in its suggestions, but it is difficult to differ with a great deal of what it has got to say in this matter of expenditure. If this paper correctly interprets the meaning of the figures which are embodied in it, it shows that there are good grounds for the assertion in the recent 'Note' presented to Parliament by Sir William Wedderburn, that it is more the growth of expenditure than the fall in exchange which has led to the present difficulties. The charges on account of exchange have become mainly formidable because the administrative expenditure which has caused in chief measure the growth of those charges has been itself continuously increasing.'

"Though perhaps in a manner not quite so pointed and direct, Sir David

Barbour has also since his retirement given expression to similar sentiments. At a meeting of the International Bi-Metallic Conference held in the spring of 1894, he summed up the Indian financial situation as follows:—

> "'The facts which I have brought to your notice may be briefly recapitulated—an Eastern country governed in accordance with expensive Western ideas, an immense and poor population, a narrow margin of possible additional taxation, claims for additional expenditure greatly in excess of possible additional revenue, a constant tendency for expenditure to outgrow revenue, a system of government in India favourable to increase of, and unfavourable to reduction of, expenditure, no financial control by intelligent and well-informed public opinion either in India or in England, an insufficient check on expenditure in India, a remote and imperfect control exercised from England, a revenue specially liable to fluctuations from year to year, large and growing foreign payments.'

"These are not the views of clumsy and pretentious native would-be politicians, who audaciously presume to think that they could govern the Empire better, but those of distinguished men whose mature and tried knowledge and experience must command respect, confirming in the most remarkable manner the contention of the Association that it is the enormous increase of expenditure since 1885-86 which is more responsible even than the depreciated rupee for the embarrassed and critical state of Indian finance. But it has been argued that, though it is perfectly true that the expenditure has increased, the increase is justified by the needs of an expanding and progressive Empire. In discussing the present Budget I propose to go a step further than the Association did last year, and endeavour to show that, even if the need for the increase were academically incontrovertible, still it is unjustifiable as being a burden beyond the capacity and resources of the country to bear without dangerous exhaustion. In introducing the Tariff Bill, the Honourable Sir James Westland tried to satisfy the Council that 'it was not by reason of any laxity in controlling expenditure that it was rendered necessary to ask for increased powers of taxation.' In the debate on the Budget last year, the Honourable General Sir Henry Brackenbury was still more emphatic about the impossibility of reducing military expenditure. In replying to the invitation of the Honourable Mr. Playfair, to meet with some degree of fulness the arguments raised in certain quarters for the reduction of the military expenditure, the honourable Member said:—

> "'My Lord,—I have never seen such arguments. I have seen denunciations, I have seen invectives, I have seen statements and assertions, and I have seen appeals to the Government of India to reduce expenditure, but I have never seen one single argument, I have seen no argument put forward by anybody to show that military expenditure in this country could reasonably be reduced.'

"It seems to me that in these utterances both the honourable Members miss one point which is indispensable for sound and solvent finance. Necessity of expenditure is after all a relative term. However great the necessity for a particular item of expenditure, that necessity must be controlled by the ways and means for incurring it, and must be proportioned to the capacity for defraying the expenses of it. I have no doubt that, if the increase of troops in 1886 had been 40,000 instead of 30,000, the Honourable Military Member would have spoken quite as peremptorily against any reasonable reduction of expediture, and would be still roving quite as much in despair in quest of arguments. But the real question is whether the items of military and civil expenditure bear any just and reasonable proportion to the revenue that can be possibly realised from the country without incurring peril and exhaustion. What is the present position in this respect as disclosed by the Budget laid before the Council? Since 1885-86 the income tax has been re-imposed, or rather the license tax has been developed into an income tax and extended to Burma. A duty was imposed on petroleum. A patwari-cess has been levied in the North-Western Provinces and Oudh. The excise duty on salt has been raised to within eight annas of the highest figure possible if salt is not to be placed beyond the reach of the mass of the people. The import and cotton duties, with an excise duty

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on yarn, have been fully re-introduced. Altogether something like seven crores of fresh taxation have been imposed since 1885.

"Commenting on this state of things, Sir David Barbour wrote only the other day that 'the burden of taxation is in danger of becoming excessive, and that the further margin of resource to which taxation can be applied is incredibly small, both in itself and from pressure of political considerations.' There is no present hope from exchange; and loss by exchange can no longer be regarded as something separate from expenditure in regard to which it is incurred. It must be now taken as part and parcel of departmental cost.

"Now let us see how the revenue raised after leaving a margin of reserve so exceedingly narrow is disbursed. Taking the legitimate revenue as pointed out by the present Secretary of State for India to be the amount realized from what are called the principal heads of revenue, leaving out such heads as railways, irrigation, post office, and telegraph, of which the receipts and disbursements balance each other more or less, the total revenue for 1892–93, after deducting the cost of collection, was, speaking in round numbers, 51·6 crores of rupees. The accounts of 1893–94 published the other day give the total net revenue for that year at 50·32 crores. The Revised Estimates for 1894–95 just given put it down for that year at 53·74 crores of rupees, and the Budget Estimate for 1895–96 comes to about 54 crores. We know that the item of land revenue is by far the largest single item among the principal heads. In 1892–93 it amounted to 21 crores; in 1893–94 to 21·67 crores; and the Revised Estimates for 1894–95 give it at 21·4 crores, after deducting cost of collection. The Budget Estimate for 1895-96 takes it at 22·2 crores. The land revenue is thus 40 to 41 per cent. of the total net revenue, and still it does not suffice to cover the annual military expenditure of any of these four years. In 1892–93 the cost of the Army Services (23·42), Special Defence Works (·45), and Military Buildings and Roads (1·15), amounted to 25·02 crores, which leaves an expenditure of 24·12 crores after deducting receipts (·9). To this has to be added the charge for interest on account of military railways, which cannot be less than half a crore, but I cannot find the exact figures from the Indian accounts or the Parliamentary returns. The above figures leave out of account the cost of special political expeditions, subsidies and allowances to the Amir of Afghanistan, the Khyber Tribes, and others, charges for organizing Imperial Service Troops, and many other items which really and justly should be brought to the head of military expenditure. In 1893–94 the military expenditure amounted to 23·87 crores of rupees, including and excluding items as in the previous year. The Revised Estimates for 1894–95 put it at 24·87 crores. In the Budget Estimates for 1895–96 it is taken at 25·52 crores.

"What these figures mean is that military expenditure more than fully absorbs one-half of the whole net revenue of the country, or, to put it in another way, if you leave out of account the opium revenue, which cannot be relied on as stable owing to the competition of the home-grown drug in China, the military expenditure absorbs the whole of what has been called taxation revenue proper, derived from salt, stamps, excise, provincial rates, customs as now fully revived, income and other assessed taxes, forest, registration, and tributes from Native States. Such a situation cannot but be regarded with serious anxiety, but its gravity is immeasurably enhanced when we remember how the land revenue is raised to the amount at which it stands. It has been said that the land revenue is only the unearned increment, and the authority of John Stuart Mill and Professor Fawcett has been cited in support. Possibly it ought to be so in pure theory. But, perversely enough, in practice it has the knack of mixing up the earned as well as the unearned increment, and of carrying away the raiyat's fruits of his own labour and improvements along with that of his fickle luck. I admit that there are excellent rules laid down by Government for preventing undue severity in settlement and revision proceedings. But the ingenuity of revenue officers is wonderful, and in spite of limits against over-enhancement the individual cultivator finds the settlement heavy beyond measure. Except in Bengal, four-fifths of the agricultural population is steeped in debt and poverty. If the Saukar presses heavily against the raiyat, it is the revenue officer who has driven the raiyat into the hands of the saukar. But the tale does not end here. Heavy as the assessment mostly is, the rigidity and inelasticity of the system of collection is more crushing still. The Commission appointed to inquire into the Dekkhan Agriculturists' Relief Act advocated

a more liberal practice with regard to remissions and suspensions of revenue; but the Bombay Government actually resented the recommendation as uncalled for and imprudent. The serious import of this state of things arises from the consideration that grand military preparations for protection against foreign invasion, or indeed anything else, are nothing to the cultivator unless he has got something appreciable to protect. It has also been argued that the Indian raiyat is the most lightly taxed subject in the whole world. But, apart from the circumstance that the assessment he has to pay is both rent and tax combined, is it true that he pays no other tax than the salt tax? In debt all his life, does he not pay in stamps and court fees for every application he makes to a revenue officer, for every process that is issued by or against him in the endless resort to courts of one sort or another, and does he not pay registration fees for his perpetual transactions of bonds and mortgages and transfers? Insufficiently fed all the year round, does he not pay the excise duty on liquor and opium, raising the abkari revenue by leaps and bounds? In a recent discussion in the Belgian Chambers, Mons. Lejeune, former Minister of Justice, pointed out from statistics that the consumption of spirits in Belgium had increased to an alarming extent, raising the excise revenue from four millions of francs in 1851 to 33 millions in the present year, and that the principal reason for the increase was the insufficiency of food procurable by the labouring classes. It is a well-known fact that the cultivating labourer ekes out nourishment by the use of alcohol and opium. If he does not pay the income tax, does he not pay the road and other cesses? Has he not, since the new forest policy was introduced, contributed to the forest revenue by paying grazing and other fees and charges which he never had to pay before? As a matter of fact, the Indian raiyat goes through life carrying a load of many burdens on his back. My object in referring to these matters is to try to show that, if revenue can only be raised in this manner, the expenditure for which this revenue is required to be raised, however academically reasonable or incontrovertible in itself, is beyond the capacity and resources of the country.

"In making the above remarks I have no intention of going into the question of the policy which has led to this enormous military expenditure. In answer to the representations in that behalf made in the petition of the Bombay Presidency Association I have referred to, the Honourable Sir James Westland said:—

> "'I am afraid there is an irreconcilable difference of opinion between Your Excellency's Government and the Association. If the latter seriously mean to describe the policy of 'preparedness' on the North-Western Frontier, which I admit has cost us very much on frontier railways, frontier road, and special defences, as a policy of adventure which has weakened the strength and stability of the Empire, I am afraid that no argument of mine will succeed in meeting the objections they raise to the expenditure involved.'

"I at once recognize the practically conclusive force of this argument and the consequent futility of further discussion. It is a little remarkable, however, that Sir Auckland Colvin seems to be under the impression, and that too in October, 1894, that 'since 1885 onwards, so far as he was aware,' Indian financiers have never budged from the position on this question of the increased military armaments. They have always uncompromisingly declared them to be hurried on at a cost beyond the resources of India. What has been done, has been done in spite of them and in the teeth of their remonstrances.'

"Possibly the present Finance Minister's acquiescence in the policy may be simply a cry of despair extorted by the utter hopelessness of combating it. The policy, as Sir Auckland Colvin says, is probably popular in England, which not only does not pay the bill but largely profits by it. Anglo-Indian society is also largely in favour of it for many obvious reasons. Even my honourable and learned friend Sir Griffith Evans, who had in 1893 uttered words of wise warning in deprecation of the dangerous outcome of a well-equipped army in advance posts and borders pushed forward, and in military expeditions following wave-like one upon another, recanted the heresy last year and obtained full absolution from the Honourable the Military Member, with the full countenance and encouragement of my honourable friend Mr. Playfair. The cry of those who think otherwise can now only be a cry in the wilderness.

"But,

"But, my Lord, I humbly venture to say that, if it is not possible to reduce military expenditure by any reduction in the Army or any halt in the 'forward' policy, then there is no other remedy for the embarrassment of Indian finance than to implore England and the English Treasury to be just and equitable in their demands for the cost and equipment of the troops they supply. In their Despatch of 8th February 1879, the Government of India earnestly represented that—

> "'Placed as it was under the serious responsibility of so administering the affairs of the greatest dependency of the British Crown that, while British supremacy is strictly guarded, the means of securing the end shall not unduly weigh on the people of the country, it was constrained to represent to Her Majesty's Government that the burden thrown upon India on account of the British troops is excessive, beyond what an impartial judgment would assign in considering the relative material wealth of the two countries and the mutual obligations that subsist between them.'

"Since then the British Army in India has been increased, and so has the intolerable hardship of an apportionment more and more one-sided and unjust. So competent an authority as Sir Charles Dilke unhesitatingly declared that in one portion of the charges only the War Office was levying 750,000*l.* a year more than it was entitled to for several years. But the strangest part of the whole affair is that in India, where the entire financial statement of the whole Empire is supposed to be formally prepared and declared, there is no check here on the demands made for the payments in England. Speaking of the Home Effective Army Estimates, the Honourable Sir Henry Brackenbury frankly confessed last year that—

> "'It is always a complicated business, and we can never know how much we shall have to pay in one year, and how much will hang over for the next; but I can only say that the whole of those Effective Estimates are due to payments under the orders of the Secretary of State which it is very difficult for us to check.'

"In the two debates which took place in the House of Lords in 1893, at the instance of the Earl of Northbrook and the Duke of Argyll, it was abundantly made clear that for the last 20 years and more every Indian Secretary of State, Viceroy, and Commander-in-Chief, has protested against the gross and scandalous injustice with which India has been treated in this matter, and the Earl of Kimberley, then Secretary of State for India, confessed that 'the Indian Government have not, he thought, the same weight as the Home Government have. Indeed,' he said, 'the India Office had no support.'

"As one instance of the way in which this country has been unrestrictedly overcharged, it will be remembered that in 1870 the British Treasury and the War Office hit upon the extraordinary plan under which year by year the actual pensions this country was supposed to be called upon to pay were capitalised and the actual value paid annually. This plan lasted till 1884, increasing the charge to something not less than four millions sterling, in spite of the protestations of the Secretary of State for India that 'this charge ought not to be put fairly upon the ratepayers of India, and that part of the increase was incurred owing to measures carried into effect by the British Government for purposes unconnected with India, such as the abolition of the purchase system and compulsory retirement of officers. The fact is that the predominant partner in the concern has taken, and still takes, advantage of his superior position to press heavily on his weak and poor associate.' The worst of it is that there does not seem to be any prospect yet of obtaining a just relief. It is not a satisfactory way of dealing with the question, and, if I may be allowed to say so, not worthy of the honour and greatness of England, to meet all prayers for inquiry and equitable adjustment by mysterious threats of something worse and tables turned. The same threats were held out when the Duke of Argyll protested against the principle of charging India for indirect benefits. On that principle the whole cost of British administration might be thrown on India, for that administration is absolutely indispensable for the existence of British rule in this country. In the present state of Indian finance, when difficulties surround it on every side, it is more than ever necessary to do

justice to this country, for it is neither wise nor politic to raise bitter feelings of utter helplessness against financial pressure from all quarters. If the enormous military expenditure cannot be reduced by reducing the Army or by moderating the Home Army Estimates, then who can say that Sir Auckland Colvin may not after all be a true prophet when, Cassandra-like, he says that 'Russia without moving a man or a gun need only bide her time, and that, if slow and sure is her game, slowly and surely we shall be playing her hand for her.' Your policy will in that case only succeed in strengthening the outposts at the heavy cost of irretrievably weakening the base.

"My Lord, I have spoken freely in the firm consciousness of a true and sincere loyalty, for, if by loyalty is meant a keen solicitude for the safety and permanence of the Indian Empire in which I am persuaded lie implanted the roots of the welfare, prosperity, and regeneration of this country, then I claim to be more loyal than Englishmen and Anglo-Indians themselves, who are sometimes led to subordinate the interests of that safety and that permanence to the impetuous impulses of a singularly brave spirit, to the seductions of conquest and imperial vainglory, or to the immediate gains and temptations of commercial enterprise.

"Passing from military expenditure, I shall refer briefly to other burdens, also too great for the capacity of the country. It is difficult to make out what portion of the sum of about 17 crores represents the salaries of Civil officials drawing Rs. 1,000 and more, who are not already included in the departments which are not taken in account in arriving at the net revenue and expenditure. But that it must be an enormous amount can be seen from the superannuation Retired and Compassionate Allowances and Civil Furlough and Absentee Allowances paid in England. In 1892–93 they amounted respectively to 2·7 crores and ·33 crores of rupees. The accounts just issued for 1893–94 do not give separately the charges paid in England and in India for the Superannuation and Pension Allowances; but, making an approximately fair deduction of ·9 crores from the joint total of 3·86 crores, there remains very nearly three crores of rupees for the Superannuation, &c., charges paid in England. The Civil Furlough and Absentee Allowances, &c., the same year amount to ·32 crores. The Budget Estimates for these items for 1895-96 show an approximate total increase of half a crore. There can be no doubt that a very thick slice of the net revenue must go to pay the salaries, pensions, and allowances of the higher officers of the Civil Departments; the amount, in a rough estimate, can scarcely be less than 12 crores. The burden is heavier by the grant of the Exchange Compensation Allowance. Last year it amounted to Rx. 1,235,900, *i.e.*, a crore and 24 lakhs. I do not propose to say anything about its justice or propriety, for I recognise that it is as natural for those who helped themselves to it to be convinced of its absolute justice as for those who have to pay it to be sceptical about its necessity. But still there is the burden, and the outcome of these enormous payments on a few heads is that you have very little left for the most necessary purpose. There was a confession made the other day in this Council that the police force in every district is ordinarily kept at the lowest strength and cost compatible with the discharge of ordinary functions in quiet times, though indeed, when the greater portion of the cost can be taken from another body like the Bombay Corporation, then no cost is too heavy for a liberal margin of strength. The separation of executive and judicial functions pronounced by Lord Dufferin to be a counsel of perfection, and admitted by past and present Secretaries of State to be a most desirable reform, cannot be carried out for want of means. You are unable to spend more than the fiftieth part of your net revenue on the education of the whole country; in fact, it is just about equal in this year's Budget to the exchange compensation allowance. The Government resolution on the progress of education finds satisfaction in a gradual increase of the number of schools and pupils, in the same spirit in which the efficiency of criminal justice is sometimes estimated by the number of convictions and the severity of sentences. But it is forgotten that the equipment of schools and colleges is as important a factor in their valuation as numbers, just as the vindication of innocence is as important in the efficient discharge of criminal justice as the conviction of guilt. There is not a school or college in all India that can bear any comparison with the schools, colleges, and lycées of England, France, Germany, and other civilised countries. In that spirit of humorous banter which

which I am glad the heavy monotony of figures and statistics has not driven out of the honourable the Finance Member, Sir James Westland was last year pleasantly sarcastic over 'the united wisdom of the native gentlemen interested in politics, who met at Christmas at Lahore to show us how we ought to govern India,' and enjoyed a hearty laugh over their proposals to reduce revenue and increase expenditure at one and the same time. Though of course they could not bear comparison with members of the most distinguished service in the world, these gentlemen are still not altogether devoid of logic and sense in their suggestions. It is not very difficult to understand that, if you economise in the right directions, you can reduce revenue and increase expenditure in others. If you could reduce your military expenditure to reasonable proportions, if you could steady your 'forward' policy so as not to lead to incessant costly expeditions, if you could get your inflated Army Home Estimates moderated, if you could devise ways by which the huge burdens of salaries and pensions could be lightened, then it is not chimerical to imagine that you could improve your judicial machinery, strengthen your police, develope a sounder system of education, cover the country with useful public works and railways, undertake larger sanitary measures, cheapen the post and telegraph, and still be in a position to relieve small incomes, to press less heavily on the land, to give the cultivators breathing time, and to reduce the salt-tax.

"It is from the above point of view that the Financial Statement which the honourable Member has presented to the Council can scarcely be considered wholly satisfactory. While fully recognizing that he is surrounded by adverse and difficult circumstances, and that his hand is not free, still the fact remains that the new Budget is a hand-to-mouth Budget, and not based on enduring principles of sound finance. Fortune has smiled on him during the past year, and it is difficult not to read beneath the lines that he still entertains a lurking faith in windfalls and miracles for the new year. He shows a surplus of four and a-half lakhs of rupees, but it is a speculative surplus. It is obtained after the imposition of taxation to the tune of over three crores, after putting the Famine Insurance Fund in abeyance, after taking the rate of exchange probably higher than it is likely to be maintained, and after shutting his eyes to the heavy cloud that is looming in the North-West. And all this in a year of prosperity and peace, when the country has remained free from famine and war, barring of course the frontier expeditions, which, as predicted by Sir Auckland Colvin, must now be accepted as a trouble quite as constant and irremediable as exchange. The prospect before us is really neither hopeful nor cheering; and, in spite of his efforts to administer some grains of consolation, the real note that the honourable Member strikes is unmistakably when he winds up by saying 'that many causes for anxiety still remain, and we may again be in difficulties before many months are over.' What then? is a question whose gravity it will be more easy to appreciate than to solve."

The Honourable Sir *Antony MacDonnell* said:—"I wish to make a few remarks to the Council with reference to some observations which have fallen from my honourable friends the Honourable the Mahárájá of Ajudhiá and the Honourable Mr. Chitnavis. There are also one or two matters which have struck me in the discursive speech of the Honourable Mr. Mehta to which I wish to allude. The Honourable the Mahárájá of Ajudhiá complained that in the administration of the land-revenue system of the country the Government paid but insufficient attention to the granting of remissions and the suspension of demand in tracts more or less affected by scarcity. The question of the suspension of land revenue is one which has been attracting and receiving the careful attention of the Government during Your Excellency's term of office. There could be no more unfortunate illustration of our failure to perform our duties in this respect than that given by the Honourable the Mahárájá of Ajudhiá. He referred to the scarcity which prevailed in the northern parts of the Central Provinces, and he enforced his arguments by stating that no suspension of land revenue was given in that particular tract. Now the fact is that the entire land revenue in that tract was suspended by the Government of India as soon as the first responsible information of the occurrence of scarcity was received. The amount of land revenue suspended was something like five lakhs of rupees, and, although in the note prefixed to the Budget Estimate of the

Central Provinces the statement is made that this revenue will probably be recovered during the forthcoming year, such is not the intention of Government. The administrative arrangements made are that the land revenue then suspended will be collected during two years at least, and in certain tracts the period will be longer. The Honourable Mr. Chitnavis has stated generally that in the Central Provinces there was at the present time apprehension of greater scarcity, and I understood the honourable Member to make an appeal to Government for greater leniency in the assessment and collection of revenue. The result of this scarcity reported from the northern tracts of the Central Provinces was such as to falsify the apprehensions of those who expected that the scarcity would be very severe. There is no part, perhaps, of district economy in this country in respect to which it is easier to make a mistake than the subject of the power of the people of a district to withstand scarcity. It was in the northern parts of the Central Provinces apprehended that before the month of June was over stocks would have become exhausted and the people thrown on the Government for support. As a matter of fact, the importation of grain into that part of the Central Provinces was very slight, and the employment which it was found necessary by the Government to give was of a very limited character. The conclusion which was inevitably forced upon the local officers and the Government of India was that larger stocks existed in the country than were believed to exist, and that the pauperized condition of the people, which we are asked to believe in, had no existence except in the apprehensions of certain local associations to which reference has been made in this Council. There is no intention on the part of the Government of India to impose upon the people of this country in the shape of land revenue heavier burdens than they can easily bear. The Honourable Mr. Mehta has made a severe attack upon us upon this point, but it will be apparent to the Council that his remarks were more of a general and discursive character such as it is very difficult for a Minister in my position to meet without having had previous notice. It is very easy to say that the land revenue is over-assessed, and that the people are starving. But such statements should be supported by a citation of concrete instances. The argument of the Honourable Member who has last spoken is that starvation drives people to intoxication, that people who are starving spend upon drink and the other luxuries in preference to spending it on food. The suggestion that a man who was hungry would buy drink and other intoxicants in preference to food is not one which would recommend itself to the sense of the Council. I am in a position, from my own experience as administrator of a province in which land settlement was carried out on a large scale, to give to the statement of the Honourable Mr. Mehta a direct contradiction, not a contradiction in general terms, but a contradiction in reference to particular facts. When I took over charge of the Central Provinces from Sir Alexander Mackenzie, I was not long there before an organized attack was made upon the settlement which had just been completed in the Chhatisgarh Division of the Central Provinces, and especially in the Bilaspur District of that Division, and numerous memorials were presented to me. The associations in that part of the country and in the neighbouring districts were active, and the result was that I resolved to proceed to that part of the country and satisfy myself by local inspection. I went to the spot and found myself confronted by the largest crowd I ever saw collected on such an occasion. There must have been at least 25,000 people, so well had the agitation been conducted. But I was at once struck by the extreme difference between the statements of the people about their poverty and the prosperous appearance they presented. I went into facts and made a report, which I believe was afterwards referred to in the House of Commons, and I found that over an area of something like 10,000 square miles, in which the settlements had been made in the Bilaspur and neighbouring districts, the rates assessed by the Government and distributed between the Government and the landlords averaged no more than 5 per cent. of the gross produce of the land. My Lord, one ounce of fact like this is worth a ton of theory or diffuse statements. If I say that I have known a particular place or district in which charges against the Government were made in no less forcible language than we have heard here to-day, and if I say that after careful inquiry I ascertained that the amount the Government took and distributed between itself and the owners of the soil amounted to only 5 per cent. of the gross produce

produce of the land, I venture to think that that statement will be a sufficient answer to the charges made against the Government of over-assessment of its land revenue. The Honourable Mr. Mehta, among the other statements which he made against the Government to-day, has referred to one which falls particularly within my province. It is the statement that, although the Government cannot have money to improve its services, it is easy for it to take money from such a Corporation as the Bombay Corporation when it so desires. The particular instance to which the honourable Member refers was this. Owing to the insufficiency of the Bombay police, riots of a disgraceful character which shocked the intelligence of the whole country occurred in that city. The Government of that presidency, as in duty bound, examined the state of the police, and came to the conclusion that, having regard to the circumstances which had grown up since the strength of the police was last fixed, the scale was inadequate and required to be enlarged. A certain scale was proposed which was carefully scrutinised by the Government of India, and the conclusion that was come to by both Governments was that a certain addition should be made to the force. The Bombay Corporation met the proposal to increase the police force with a refusal to pay, and the ground on which they refused to pay was this: they said, 'we will be responsible with our present police force for public order so long as things are quiet, but we altogether disclaim any responsibility for making provision for the preservation of the peace in times of disturbance. When a riot breaks out, or when any forces are called into operation which test beyond endurance the capacity of the police force which we employ, then we fall back upon the military forces of the Government to maintain order'—that is, to do the duty which the Corporation is expected by the law to do. That, my Lord, is the true colour and substance of the argument, or rather innuendo, which the Honourable Mr. Mehta has addressed to this Council as indicative of a failure of the Government to perform its duty.

"There is no part of the administration which has more received your Excellency's anxious attention than the land revenue administration of the country, and it is a great source of disappointment to me personally that I am about to leave your Excellency's Council before I was able to take as large a part as I expected I should be able to take in bringing the discussion on that subject to a satisfactory conclusion. But I can, on this, the last, occasion on which I shall have the honour of addressing your Excellency in this Council, bear my testimony to the deep interest which every member of the Government of India takes in that great question of agricultural indebtedness in India, and to their anxiety to lessen the burden on the shoulders of the raiyat and to reduce the demands of the Government within the narrowest limit of equity to the general taxpayer. I trust that before long your Excellency will have seen your way to a solution of that great question, and, if that is done, the last vestige of ground will be cut away from under the feet of hostile critics who are often ill-acquainted with the difficulties of the situation, and that the Government of India will by consent of all stand forth, as to those who know it has always stood forth, as the greatest defender of the cultivator of the soil, and, indeed, his only real protector from those who would extract more from him than he can afford to pay."

The Honourable *Lieutenant-General Sir Henry Brackenbury* said:—"The Military Estimates account for so much of the expenditure side of the Budget Estimates of your Excellency's Government, that I think it is due to this Council and to the public that the Military Member of your Excellency's Council should explain them somewhat more fully than is done in the Financial Statement, and, if necessary, justify and especially explain any increase in the Military Estimates over those of the preceding year.

"My Lord, I am not a practised debater, and I am unable to meet in detail the elaborately prepared speech of the Honourable Mr. Mehta dealing with great questions of military expenditure, concerning no one of which has any notice whatever been given to me that they would be called in question; nevertheless, I did my best to follow that speech, and I am afraid, my Lord, that I must repeat, after listening to that statement, very much what I said last year. I have listened with much interest for any argument or any detail which I could carefully take up, and I have failed to find any. But I have heard very much the same general denunciations and assertions against military expenditure that I am familiar with in a certain portion of the Press.

"I fear, my Lord, I cannot agree with the view of the position in your Excellency's Council of the Financial Member which is taken by the Honourable Mr. Mehta. The position of the Financial Member, so far as military expenditure is concerned, is very clearly defined. Both he and the Military Member are, as members of your Excellency's Government, responsible for financial economy; both are equally responsible for military efficiency.

"It may be that Sir David Barbour and Sir Auckland Colvin, out of office, find their consciences pricking them for not having sufficiently inculcated economy when in office. I can only say that no Military Member has ever had a tighter hand over him than that of Sir James Westland has been over me. I was called upon by him, when he took office, to justify in the most minute detail every item of expenditure in the Estimates for many years. I can never include in the forthcoming Estimates for a year any new charge, until my honourable colleague is satisfied with its necessity, and that he has money to meet it.

"The standard of military efficiency is fixed by the conditions of this Empire, and is determined by your Excellency's Government with the approval of the Secretary of State. This standard being fixed, the details of military expenditure are largely beyond the control of either Military Member or Finance Member.

"In the discussion on the Financial Statement last year I spoke at great, and what I fear must have been to some wearisome, length on the subject of the Military Estimates. I explained in detail how these Estimates are composed. I divided them into their several great heads. I showed how, with the exception of the great variations, due to fluctuations of exchange and to frontier expeditions, there had been no appreciable rise in those Estimates over which the Government of India has control since the year 1885–86. I endeavoured to prove that the bulk of the Indian Military Estimates, being based upon fixed numbers of troops, fixed rates of pay and allowances, fixed scales of food and clothing, fixed armaments, and fixed reserves of stores, could not be touched, and that there is practically no method of reducing the Estimates except by reducing the normal number of troops, reducing the pay of troops, or reducing the reserves of stores; and I showed what I ventured to think were good reasons against the adoption of any of these reductions. I went on further to say that I could not honestly state that even with the present strength of the army there was no probability of a rise in military expenditure.

"The facts and figures which I will now lay before Council will, I venture to think, bear out all that I then said.

"I will deal with net figures, as I did in the two preceding years. First, as regards the Military Budget Estimates of the year 1894–95, which is about to close. The net charges of the Budget Estimates were Rs.15,41,67,000, the net charges of the revised Estimates are Rs.15,24,61,000, showing a reduction in the revised Estimate, as compared with the Budget Estimate, of Rs.17,06,000. Thus for the first time for a great number of years, as Sir James Westland has pointed out, it is believed that the net military expenditure within the year will be actually less than was estimated for. This fact is the more remarkable because during the year 1894–95 a number of very heavy charges fell upon the Military Department which were not provided for in the Estimates.

"To begin with, under the orders of the Secretary of State, we estimated for the pay of the British soldier at the exchange rate of 1*s.* 3¼*d.* the rupee; we paid him with the Secretary of State's approval at the actual average current rate of exchange fixed quarterly, which for the whole year gave an all-round rate of 1*s.* 1½*d.*; the difference amounted to 31⅝ lakhs. We estimated for exchange compensation allowance at 1*s.* 2*d.* per rupee, we paid it at an average of about 1*s.* 1½*d.*; this difference amounted to 5¼ lakhs. The Home authorities for some reason, which is as yet unexplained, sent us out drafts for British cavalry and infantry considerably in excess of the authorised establishment, and this caused an additional expenditure of 5 lakhs. The escorts for the demarcation of the Afghan Boundary would have caused a comparatively small addition to the Estimates, had it not been that at the time when we were engaged in negotiations with the Waziris of a friendly character, and were actually offering them increased subsidies and assurances of our intention not to interfere with their internal affairs or their independence, the Mahsud Waziris made an unprovoked attack in force upon the escort attached to our Commissioner

missioner for the demarcation of the Afghan boundary. For years past we have borne patiently with their raids into the Gomal and Zhob Valleys, and even now, after this night attack upon our camp, we offered them terms that were generous, to avoid the necessity for a punitive expedition. But these terms they would not accept, and it became necessary to send into their country a force sufficient to punish the evildoers. That force, under the command of General Sir William Lockhart, marched through the whole of the Mahsud country from end to end, and encountered no organised opposition. The purdah of this wild tribe has been lifted; they have learnt that they are no longer safe from our avenging arm even to the remotest recesses of their hills. They have now complied with all the terms demanded of them by Sir William Lockhart; the demarcation of the Afghan boundary on the Waziri frontier has been practically completed, and the bulk of the force has returned, or is returning, to British India. This expedition, which was forced upon us much against our will, has been practically a bloodless success. But the charge for it, which falls under the year 1894–95, amounts to nearly 20 lakhs, which was not provided for in the Estimate.

"Owing to the fall in the gold value of silver, we were obliged this year to pay a higher price in rupees for our Australian remounts, or the shippers would have failed to meet our demands. This accounts for a net increase in our remount charges of Rs. 1,20,000. A steady increase in the number of reservists of the Native Army accounts for Rs. 1,30,000. Increased pay to lance ranks in the British Army, introduced by the War Office, amounts to half a lakh; and we had to purchase nearly four lakhs' worth of malt liquor more than we estimated for.

"The items of increase which I have enumerated amount to nearly 69 lakhs of compulsory charges not provided for in the Estimates. How is it that with these large additional charges we still find that the amount estimated for has not been exceeded? More than half of the above increase of 69 lakhs is made up for by one single item, fall in the price of articles of food. Owing to the splendid harvests the price of grain supplies fell largely, and this item alone accounts for a saving of 37½ lakhs. We also had receipts of about 12 lakhs more than we had estimated for, chiefly due to increased takings from larger sales of malt liquor, and to increased sales of ordnance and clothing stores. These two items, 37½ lakhs and 12 lakhs, account for 49½ lakhs, and the remaining 20 lakhs of the saving are spread over the whole of the Estimates. There are savings in staff, transport, hire of transport, railway charges, clothing materials, ordnance stores, artificers, and other miscellaneous items, and I think I am justified in expressing my opinion that this result is partly due to improved financial control.

"Speaking last year I said that a system of control had been lately introduced, which would enable the Military Member of your Excellency's Council to keep his finger on the pulse of military expenditure constantly in a way that it had been impossible to do before. I may now say that the opinion which I then expressed has been justified. I had my finger upon that pulse throughout the year, and was able to watch each rise and fall. But that alone, valuable as such a control is, would not have the desired effect. The great step taken in the direction of economy was really this. Throughout the year the Government of India steadily and consistently refused all proposals for expenditure not provided for in the Estimates, whether they came from the Commander-in-Chief or from any heads of the great Departments under the Military Department, unless the Commander-in-Chief or the head of the Department could show, first, that the expenditure was of urgent importance, and, secondly, that they could meet it from savings under some head of their Budget. And we endeavoured to enforce upon heads of Departments their responsibility for making every possible economy. They in their turn enforced this upon the administrative and executive officers serving under them, and the result has been a marked diminution in expenditure. I endorse what Sir James Westland has said as to the hearty co-operation of the high military authorities from the Commander-in-Chief downwards, and I cannot express too strongly my sense of satisfaction with the way in which the heads of the great Military Departments have seconded our efforts at economy in this time of financial pressure.

"As regards military works for 1894–95, we took one crore, and I have only to say that the expenditure has been kept slightly within the Estimates.

"Turning to the Home Estimates, I find that the revised Estimates received from the India Office are less than the Budget Estimates by 88,800*l.*, or about 16¼ lakhs. With the exception of the portion of these Estimates due to indents for stores from India, these Estimates are entirely controlled by the Secretary of State for India. As regards that portion of them over which India has control, we have effected a saving of about 40,000*l.* in the year. Exactly the same principle has been followed here as that described previously by me for India. We have refused to allow any head of a Department to indent on England for anything not provided for in the Budget Estimates, unless he could either provide for it by a saving in his Home Estimates or by a corresponding saving in his Indian Estimates. For this purpose we have, for the first time, treated the Home and Indian Estimates as one.

"There remain only the Special Defence Estimates. These were taken in India at Rs. 11,35,000, and in England at 22,600*l.*, giving a total in rupees, including exchange, of Rs. 15,23,000. The revised Indian Estimates amount to Rs. 7,04,000, and the revised Home Special Defence Estimates to 39,900*l.*, or, taken together, to the equivalent of Rs. 14,41,000; thus showing a decrease of Rs. 82,000.

"We arrive then at this result: our revised Military Estimates taken altogether, Home and India, show a net saving over the Budget Estimates presented in March last of—

	Rs.
Military Estimates - - - - -	17,06,000
Home Estimates - - - - -	16,25,000
Special Defence - - - - - -	82,000
	Rs. 34,13,000

exclusive of any saving there may be in military works other than special defences, probably one to two lakhs.

"Before passing to the Estimates for 1895–96, I would mention one subject referred to by the Honourable Mr. Playfair, namely, local supplies of stores. I may say that the Government of India in the Military Department does everything in its power to encourage local industries. Not only are we ourselves manufacturing in this country gunpowder, gun carriages, ammunition of all kinds, ordnance stores, harness, saddlery, &c., but everything suitable for troops that can be made of sufficiently good quality in India is purchased locally. But our difficulty is to get supplies locally made of sufficiently good quality. Every here and there a firm rises to a higher level. Thus we are able to get all the boots for the Army by local manufacture. Tents and certain classes of clothing we can obtain. But, as a rule, the firms in India are unable to work up to our specification.

"We are only too glad to purchase articles of local manufacture; but we are not prepared, nor do the Secretary of State's orders allow us, to purchase through middlemen in India goods which have been manufactured at home, except in cases where either there is great urgency or distinct economy can be shown.

"I now come to the Budget Estimate for 1895–96; and I will first dispose of the Home Estimates, the Special Defence Estimates, and the Military Works Estimates.

"The Home Military Estimates for the coming year show an increase of 12,400*l.* as compared with those for 1894–95. Of this increase 6,000*l.* only is due to demands for stores from India; the remainder is made up of the balance between increases amounting to 52,900*l.* and decreases of 46,500*l.* in the Secretary of State's Estimates. Amongst the notable items of increase is one of 17,300*l.* for the Indian troopship service, explained to be due to the proposed employment of larger transports, and another of 32,000*l.*, payments to War Office for retired pay, &c., of British forces for service in India. This is said to be normal. Amongst the items of decrease is one of 11,000*l.*, payments to War Office in respect of British forces serving in India, due to fewer men passing into the Reserve, and receiving deferred pay, and one of 25,000*l.*, pay and pensions of non-effective and retired officers of the Indian Service, which diminution is due to the Secretary of State's Estimate for 1894–95 for this item having been too high.

"The

"The Special Defence estimates, Home and India, taken together were in 1894-95 Rs. 15,23,000. For 1895-96 they are Rs. 15,47,000, a rise of Rs. 24,000.

"The estimates for this forthcoming year should practically complete the sanctioned works. As regards armaments, those for coast defences are very nearly complete; those for frontier defences are now under supply.

"Last year I stated fully the nature of the services for which the Military Works Estimates provide. We took these estimates for the current year at only a crore of rupees, and I said, 'the result is that, though we have agreed to this temporary reduction to meet a financial difficulty, it means practically the undertaking of no new works, the diminution of the amount for repairs desirable to military roads and buildings, and I would almost say a complete stoppage of all sanitary improvements.' This year we have taken the Military Works Estimates at Rs. 1,15,00,000. This is 4½ lakhs less than the estimates of 1893-94. Out of this Rs. 1,15,00,000, about 95 lakhs go to works in progress, minor works, repairs, establishments, tools and plant, leaving only 20 lakhs for the undertaking of new works, including water supply and all sanitary improvements.

"I now come to the Indian Military Budget Estimates proper, as distinct from Home Estimates, Special Defence Estimates, and Military Works Estimates.

"The net Military Budget Estimate for 1894-95 was Rs. 15,41,67,000; that for 1895-96 is Rs. 16,28,60,000, showing an excess over last year of Rs. 86,93,000. Now, how is this excess accounted for? It is mainly due to the old story, fall in exchange. This year, as I have shown, we took the soldier's pay at 1*s.* 3¼*d.*, and exchange compensation at 1*s.* 2*d.*; for the coming year we have taken the former at 1*s.* 1¼*d.* and the latter at 1*s.* 1*d.*, with the result that we have to add 51 lakhs to our estimates on this account. Then we have 12½ lakhs on account of the occupation of Waziristan and the arrears of that expedition. Eighteen lakhs have been added to the budget for increased pay for the dismounted branches of the Native Army, and 15 lakhs for the preparation of the Chitral Relief Expedition. These four items, fall in exchange, Waziristan, extra pay for the Sepoy, and the new expedition, amount to about 97 lakhs. The actual increase is only 87 lakhs, so that we have net reductions in other directions amounting to some 10 lakhs. Chief among the reductions comes one of 16½ lakhs in our estimate for the price of food supplies. We have not thought it right to assume that the price of food supplies will be as low in the coming year as in the year now ending, and have, as usual, taken the average for the three years preceding the estimates. A number of items for arrears of small expeditions, which were provided last year, have fallen out, amounting to 11½ lakhs, and there are other minor items, with the details of which I need not trouble you.

"Against all these savings have to be put many items of increase. Among these is the introduction of the new system of four commands forming one army of India, to be substituted for the three presidential armies on the 1st April next. The additional charges all fall on the military estimates, while the reduction of the Bombay and Madras Military Secretariats causes savings in the Civil Estimates. Other items are caused by changes in establishments and rates of pay in the British Army made by the War Office at home, by a steady increase in the reservists of the Native Army, and by increased strength of volunteer corps.

"There is the addition due to the increased price we have to pay for Australian remounts, of which I have already spoken; and we have also had to raise the prices for Persian and Arab horses from the Persian Gulf, for a reason quite independent of exchange. That reason is polo. The importers of these Eastern horses find that they can get such high prices for ponies for polo, which they can breed and rear more cheaply than horses, that it is not worth their while to import horses at the Government price, and this year we have been unable to obtain anything like the number of Gulf remounts required. We have, therefore, raised the price for Gulf horses, and, by giving commissions to certain importers, hope next cold season to obtain our full number.

"Briefly, taken together, the result of the various increases and decreases is the above-mentioned net reduction of 10 lakhs, to set against the 97 lakhs of great new items already mentioned.

"Of those four great items which account for more than the whole of the increase in our estimates I will briefly speak.

"First, there is the amount of 51 lakhs due to fall in exchange. This, as you are aware, is entirely outside and beyond the control of the Government of India. The British soldier is entitled to receive his pay in sterling at an official rate of exchange fixed so as to fairly represent the fluctuating current rate of exchange. Exchange compensation is based upon the average of the actual current rate of exchange, and the fall from the rate which we took in the current year's estimates to the rates of 1*s.* 1¼*d.* for the soldier's pay and 1*s.* 1*d.* for exchange compensation taken in the estimates for 1895–96, accounts, as I have said, for the whole of this amount.

"Of the Waziristan Expedition I have already spoken. We have taken 12½ lakhs in this year's estimates for the charges yet to be paid, and for the expense which will still be going on during the withdrawal of the troops in 1895-96, and we hope that the expenditure may not exceed that amount.

"As regards the increase to the pay of the dismounted branches of the Native Army, which is to have effect from 1st July next, I am glad to find that this step is approved by honourable Members representing such important interests as the Mahárájá of Ajudhiá, the Honourable Mr. Playfair, and the Honourable Mr. Chitnavis. I have little to add to the statement made by my honourable friend, Sir James Westland, on Thursday last. As he said, 'the necessity for this measure has for some time past become increasingly evident to all engaged in the administration of India.' I may say that it was left to me as a legacy in the last will and testament of my predecessor in office, Sir George Chesney, four years ago. It was pressed upon me more than once by Lord Roberts, but our financial situation was such that the Government of India was unwilling to embark upon so large a permanent addition to the estimates. Now Sir George White has pointed out to us that, owing to the rise in prices and in the pay of other callings, and to the difficulty experienced by the sepoy, especially during his first three years, in living upon Rs. 7 a month, the service is losing its popularity and prestige, and the Government has considered it necessary at whatever cost to introduce this measure. The Commander-in-Chief showed us that, although it could not perhaps be truly said that the quantity of our recruits was insufficient, the quality was most distinctly falling off, more especially amongst the more warlike northern races, and that there was a marked tendency amongst the soldiers to claim their discharge at an early date, and either return to cultivate their lands or endeavour to obtain more lucrative service in the Burma Military Police or in colonial regiments or police forces. It is hoped that this increase of pay, which we are now about to give, will again draw to the ranks of the army that better class of recruits whom under present conditions we are no longer sufficiently attracting.

"As regards concessions to be simultaneously withdrawn, I will at once say that no concession is to be withdrawn which is common to the whole army, but there are certain special concessions given to certain portions of the army which it is no longer considered necessary to maintain. These are, in part, relics of the old presidential system when each Government arranged for the pay of its own army, and are, in part, additional allowances which were given for service in certain territories, then remote and comparatively inaccessible, but now integral parts of British India, with easy means of communication, where it is no longer necessary that such special concessions should be given. This question is being most carefully considered in detail in consultation with the Commander-in-Chief, and, until the details have been settled, it is impossible to speak more distinctly on the subject.

"When my honourable colleague made his financial statement last week, we hoped that the mobilisation of the first division would be in itself sufficient without any actual hostilities to bring about the relief of our officers and troops in Chitral, and accordingly a sum was taken sufficient to provide for that mobilisation and for the hire of transport for a short period only. That hope is now dead, and we have to face the fact that we must send an expedition.

"Apart from the Chitral Relief Expedition, the two great military features of the coming financial year are, first, the increase of pay to the dismounted branches of the Native Army, of which I have already spoken, and, secondly, the abolition of the Presidential Army system. For 35 years this great reform has

has been advocated. Fifteen years ago the Army Commission, of which Sir Ashley Eden was president, put it in the forefront of its recommendations. From that date to this it has been recommended by every successive Viceroy and every successive Government of India. But it was left to the present Government of Her Majesty to pass the Act of Parliament giving effect to these recommendations. This Act was passed in 1893, but such changes as these, however long they may have been advocated, cannot hastily be carried out. We deliberately decided to postpone the change until the 1st of April this year, in order that we might have time to work out in all their details the vast number of minor changes which were involved. So far as we can judge, details for working the new system have now been elaborated, and we look confidently to its working without any serious difficulty. There will, in future, be one Army of India under one Commander-in-Chief; and that Army of India will be administered and controlled by one Government, the Government of India. For purposes of discipline it will be divided into four great commands, each under a Lieutenant-General—the Punjab, Bengal, Madras, and Bombay Commands.

"The principle which we have endeavoured to carry out has been that of perfect unity of discipline, instruction, and control, with the greatest possible decentralisation of work. We do not pretend that the system will be found perfect, but we are convinced that as defects become evident they can always be repaired; that, if these two principles—unity of command and control, and decentralisation of work and responsibility—are always borne in mind, the new system has in it all the elements of success; and that it will strengthen the Army as an instrument for war without in any way interfering with its order and efficiency in time of peace."

His Honour the *Lieutenant-Governor* said:—"I do not think the Honourable Mr. Playfair would admit that the answer of the honourable Military Member in regard to the purchase of stores in England was a complete parry to his thrust, because I conceive that he referred not so much to the failure of the Military Department to purchase stores as to the failure of the Public Works Department; indeed he went so far as to make a charge against the Public Works Department of the Local Governments, that, although the Resolution of the Government of India was not over-liberal in the arrangements made and the permission given for the purchase of those stores in India, yet the Local Public Works Department had whittled away that promise and had not carried it out effectually. My Lord, this is a subject to which I have paid great attention, and those who know the literature of the subject know that there are few persons who have more strenuously advocated the purchase of stores when they can be obtained in India in preference to purchasing them from England under proper conditions of safety and efficiency than I have. It so happened that I was lately making an inquiry in my own Public Works Department to ascertain how and to what extent that Resolution of the Government of India of 1891 had been carried out, and why so little had been done in this direction to meet the demands which I had heard from time to time from manufacturers and saw mentioned in the papers, and I found that the charge made against the Government, which has been suggested, does not, in my opinion, hold water in any respect. The chief condition laid down in that Resolution was that articles which might be obtained in India were those which had not been wholly or even partially finished in England, but must have been, to a great extent, manufactured in this country. *Now, I find that* the principal articles purchased *from England by the Public Works Department* in Bengal are rolled joists for roofs and girders, and I may say that these articles cannot be purchased in India, because they are not made here. It certainly would not be desirable that we should, to a large extent, employ merchants in India to procure for us articles ready-made in England which we could purchase direct from the manufacturers ourselves. It is inconceivable that that could be done with economy, because there is the profit of the middleman to be earned out of the articles to be consumed. Until we get some manufacturers who do work in wrought-iron or in cast steel, who can supply us with rolled beams, steel sleepers, and articles of this kind in India, I am afraid it is impossible that the supply of stores of the kind which the Public Works indents for from England can be largely diminished.

"But, my Lord, my chief object in addressing the Council to-day is to add

my voice to the chorus of those who have congratulated the honourable Finance Minister on the splendid success of the Budget which he has laid before us, and on the astonishing result, so contrary to all expectations, of the financial management of the past year; and I think it is only fair to him to say that I congratulate him quite as much on the good luck that he has had as on the firm and sagacious control which he has exercised over the finances, because the tenor of the criticisms we so constantly hear against the financial position of the Government of India seems to imply that we are never entitled to any good luck at all. When we show a deficit and are able to point out that that deficit has been due to certain circumstances which have contributed to it, which we had no reason to expect, which it was beyond the power of man to avoid, and which are pure matters of bad luck, we are always told that we ought to have made allowance for it, and that we cannot count an argument of that kind on the credit side. When we have good luck it seems to me equally important to point out that the luck does change at times, that we have occasional periods of good fortune as we have had during this year, and that we have reason to hope that the luck will not constantly be against us, and that the time will come when one particular source of bad luck, namely, the continul fall in exchange, will be eliminated, and the receipts and expenditure of the Government of India will be able to be foreseen and managed on a definite basis and in a confident way, which is now impossible.

"It has been very gratifying to all those who are interested in the prospects of the finances to see the optimistic tone which has been taken by the Right Honourable the Secretary of State in his speech at the Northbrook Club and in his speech in the House of Commons, and I would draw special attention to one point on which he dwelt and to one answer which was given by him. The point which he dwelt upon was the smallness of our public debt, and that almost the whole of it is covered by our assets, those assets being the railways, canals, and similar permanent and valuable public works which it has been incurred to construct. An answer was made to this by the editor of the "Investor's Review," and that answer attempted to demolish Mr. Fowler's argument. I need hardly say that it effected nothing of the kind.

"My honourable friend, Sir Griffith Evans, has spoken of one class of critics who assail the Government, and whom he has described as the fools who should be brayed in a mortar. The poet, Robert Browning, described another class as the 'bitter heart that bides its time and bites.' To which of those two classes the editor of this important financial paper belongs it is difficult to say. But he committed himself to the astonishing reply that it was a common thing in bankruptcy to show assets which were more than the liabilities, but which could not be realised. Now, either he knew nothing about his subject, or knowing his subject he deliberately misrepresented the facts as they stand. I am particularly interested as a partner, and not altogether a sleeping partner, in the Eastern Bengal State Railway, of the management of which I cannot speak too highly, and the good fortune of which has been as prominent as its good management; and I have with me the statistics of the last five years showing that the Eastern Bengal State Railway on a capital rising from 10 to 10½ crores has produced a profit of 6·74, 5·10, 5·93, 6·69, and in the current year 8·20 profit on its capital. Now, I would appeal to any of my commercial friends in this place and any honourable Member who understands the value of a working railway, whether the assets which are put down at 10½ crores are not fully represented by the profits of that railway, and whether, if we went into the market, we could not immediately raise not 10 but more like 20 crores by the sale of that railway. I have only given one instance with which I am particularly acquainted, but I have no doubt the same thing applies to many other railways, and that the assets of our railways, if taken at the market value, would not only cover the capital expenditure on them, but would cover it over and over again, and would completely clear us of the onus of any debt in this country at all.

"I would carefully avoid being supposed to have included among the two classes of critics whom I have described the honourable Member who has just addressed us in a long and elaborate discourse on the shortcomings of the Government, but I must confess that the feeling left by his speech in my mind is one of absolute despair as to what help we are to expect to get from a gentleman in his position. The honourable gentleman came to us with a great reputation

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as one of the ablest men in Pombay and one of the most leading men in the forward movements of the time. Almost in the first speech that he made in this Council he launched an insinuation against the probity of its official members which caused a shock to the whole Council, which is accustomed to think, and which has reason to know, that the company which sits round this Board is a company of honourable gentlemen. That taunt, as we have seen, was taken up by Sir Henry James in the House of Commons, and we have all seen how in that assembly of gentlemen the suggestion was received. It is, I think, not too much to say that the fact of Sir Henry James having quoted that insinuation of the honourable Member is the chief cause of the alienation from his side of the majority of the Conservative Members and of the great majority which the Government obtained on that motion. Just as Sir Henry James has borrowed from the honourable gentleman, the honourable gentleman has borrowed from writers at home, from the note drawn up by Sir William Wedderburn, and from the letters addressed to the papers by Sir David Barbour and Sir Auckland Colvin, and he has given us a long *réchauffé* of arguments which we have read before, and, I may say, also read more easily and put in a more concise and pointed way than we have heard to-day. I ask your Excellency, and I ask your Excellency's Council, what possible good can arise from criticism of that kind? How can any reformer, even a reformer as ardent as Sir James Westland himself, yearning to take advantage of every possible opportunity of reducing expenditure, be assisted by vague generalities of the kind we have heard? What possible good can he get from such remarks? The Honourable Sir Antony MacDonnell has pointed out a glaring error in Mr. Mehta's statement regarding the pressure of the land revenue, by showing that the incidence of the assessment in the Chhatisgarh division of the Central Provinces amounted to only 5 per cent. of the value of the produce. I may point to the figures which are given in the Famine Commission's Report to show that the incidence of the land revenue over the whole of India is 7 per cent., or something over 7 per cent., of the value of the produce. With facts of that kind it is idle for the Honourable Mr. Mehta to assert that the land revenue is a crushing load upon the raiyat, and that it is impossible for him to enjoy the comforts and make the progress due to his position under a burden such as that. Then the honourable Member tells us that, although the raiyat pays no taxation which he is absolutely forced to pay except the salt tax, still he contributes to the excise and stamps, and he tried to make out that he contributed to the excise, that is, that he drank spirits or consumed opium, because he was in a state of hunger. Now, all those who know anything about that question, all people who are engaged in practical government, know in the first place that the chief consumers of spirits and opium are not the raiyats, but the lowest classes of society, such as the semi-aboriginal races and the landless labourers, and they also know that the growth of revenue from stamps and from excise is one of the surest evidences of the increase of prosperity in the country Given a year of famine, the prices at which the different spirit shops sell go down at once; given a year of prosperity, the prices paid at auction for these shops go up at once. No one with the slightest knowledge of the subject can for a moment suggest that the consumption of excisable articles is due to famine, and that a raiyat who is unable to buy food for himself would purchase drink or opium. These two suggestions are types of the class of criticisms which we have heard to-day, and I would appeal to the honourable Member to abstain from attacks and criticism of this kind, and to believe the Government is seriously and honestly desirous of receiving information, to obtain practical help in reducing expenditure in any way and in any place in which they can do so without loss of efficiency and without injustice to those with whom it has to deal. Remarks of this helpful and practical kind which have fallen from honourable Members to-day and on former occasions are and have been treasured up by Government, and they are used to the utmost possible extent; and I trust I may be allowed to express the hope that on future occasions the honourable Member will try and imitate that example and give real assistance to those practical reformers who are as anxious as himself, and more constantly employed than himself, in the work of keeping down expenditure, instead of showering crude, broad, and general attacks of this kind upon them."

The Honourable Sir *James Westland* said: "In making an attempt to reply to all the observations which have been laid before your Excellency's Council, I cannot but feel that I am, in one respect, at a very great disadvantage.

According to the usual practice, I make my Financial Statement here, and before making it I carefully put in the hands of the Members who have to hear it the whole thing stated in print, with all its figures and explanations; they are able, therefore, to follow everything that I say at the time. After that they have a whole week to incubate it, and at the end of the week they come prepared with their criticisms upon the subject. When I have to answer the Financial Statement of the Honourable Mr. Mehta, I am confronted with a jingling series of figures which I have not seen in print, which I have had no opportunity of examining, and I am expected to make a reply upon the spot. I can only say that it is beyond the power of man to bear in memory one-tenth part of the figures which the honourable Member has read out to the Council, and which, as I have said, are not even now before me in print. I hope it will be understood that I do not admit in any degree the correctness of these figures. They may be correct, or they may not, but in the observations which I make I beg that it will not be understood that, if I am obliged to pass over any of them without any comment whatever, I am thereby admitting the accuracy of the figures or statements. The honourable gentleman referred to a statement which was prepared by an association of which he is the chairman, and which afterwards, as he said, was laid before Parliament. I dealt with that statement during the discussion of last year, and I pointed out that the figures in it were misleading, that the criticism as to increase of expenditure could not be admitted, and I left, as I thought, very little to be said for it. Afterwards, however, as the honourable Member says, this very statement was furbished up anew and was presented to the House of Commons by Sir William Wedderburn and by Mr. Dadabhai Naoroji. He has omitted, however, to tell the Council what the subsequent fate of this statement was. It was put forward by these two gentlemen with the intention of forming a basis of attack upon the financial management of the Government of India. The India Office naturally expected the attack to be made in the House of Commons, where the Right Honourable the Secretary of State would be able to give an answer to it, but not a single word on the subject was said when the ordinary financial discussion of the Indian Budget was before the House of Commons. Neither of those two gentlemen, Sir William Wedderburn or Mr. Dadabhai Naoroji, made the smallest reference to the statement, and I do not know whether they were even present. At any rate, they laid the statement down upon the Table of the House of Commons, they disappeared, they would not even defend it, and the Secretary of State, therefore, passed the whole thing over with the contempt it deserved. That is the official history of the statement to which the honourable Member, Mr. Mehta, has referred. He has attempted to back up the assertions in the statement by a certificate from one of my predecessors, Sir Auckland Colvin. I was able to take down as they were read out the first five words of Sir Auckland Colvin's statement, 'if this paper correctly attributes'—but I regret to say that I was not able to follow farther."

The Honourable Mr. *Mehta*: "These words refer to a statement in Sir Auckland Colvin's own paper."

The Honourable Sir *James Westland*: "If Sir Auckland Colvin adopted this statement of Sir William Wedderburn's as a correct statement of the financial position or of the increase of expenditure which had taken place in India, I am afraid he showed very much less than his usual acumen; because there was one gigantic blunder which appeared in the very first page of it, a blunder which showed that neither Sir William Wedderburn nor Mr. Dadabhai Naoroji had the remotest conception of the bearing of the accounts upon the point they were raising. What they wished to prove was that expenditure had increased from other causes than exchange; what they actually did was to pick out the figures which are placed in the column of exchange in the annual statement of accounts, and, deducting them, to compare the others. This involves the assumption that the fall of the rupee throws upon us only those burdens which are shown in the column of exchange. Everybody who knows the rudiments of our accounts knows that the column of exchange shows only one item of the burden of the exchange—namely, that portion of the cost which is cast upon us by the necessity of paying a certain amount in sterling in England. The fall of the rupee, however, directly increases our expenditure under many other items. For example, we are bound to pay to the British soldier his pay in sterling. That expenditure, however, is paid in rupees, and the whole of it is shown in the

rupee column and not in the exchange column at all. Then there is also the exchange compensation. I know that the honourable Member does not approve of the exchange compensation, but there is the fact that, whether the expenditure is one that is to be approved or not, it is an expenditure which is thrown upon us by the fall of the rupee. That expenditure also is one that is shown in the rupee column and not in the exchange column. Take also a number of other petty items. I shall mention one of them: We buy remounts from Australia. The Australians expect to be paid something which will give them a certain sterling return. As a matter of fact, we have been obliged to raise the ordinary payment from Rs. 650 to 45*l*. This is merely a rupee payment, made for the most part in Calcutta, but it is one of the items which has swelled the rupee column by the fall in exchange. I could mention a great many more. The result is that, if any person desires to prove that the expenditure has risen from other causes than exchange, he has to allow not only for the figures which are entered in the exchange column of our estimates, but also for those direct increases due to this cause which are entered in the rupee column. Last year, when I made up a statement on the subject and laid it before the Council, I was very careful to take into account in my explanation, not only the exchange on English expenditure, but also the rupee items which were affected by exchange. I produced the details, and I showed there that, if the increase due to exchange had been left out, the expenditure of the Government of India had not increased. The statement by which Sir William Wedderburn and Mr. Dadabhai Naoroji attempted to prove to the House of Commons, and by which the Bombay Presidency Association attempted to prove to your Excellency last year, that expenditure had increased in other ways than by exchange, was based, as I say, upon a complete misconception of the very elements of the way in which a falling exchange affects our accounts.

"However, I was prepared for this renewed attack, and knew that I should be to-day told that the expenditure had increased in a great number of other ways than those attributable to exchange. I, therefore, prepared for the purpose a certain statement of account. Honourable Members are aware that with the Budget Estimates I presented a statement showing for 10 years back the net revenue and the net expenditure of India. Unfortunately we are obliged in this country—we are almost the only civilised nation that is obliged—to state our expenditure and our revenue in a depreciated currency. The Government of England bring their silver transactions to book at a sterling value. The consequence is that all the revenue and expenditure are shown in sterling figures. Other nations do the same. Their accounts are ruled by a sterling standard. We do exactly the opposite; we convert our sterling into rupees and state our whole account in rupees. Suppose we were to follow their example. Suppose we were to make up our accounts by converting our rupees into sterling, what would be the result? I have got the result here: I do not wish to follow an example I have condemned and merely read out a mass of figures, but I have got copies of the statement* here in print which shows what the actual results are; and Members of Council can examine them for themselves. There is first of all the head of military services, in which we are told such an immense increase of expenditure has taken place. The statement I have drawn up carries on the expenditure from the time before the increase of the Native and British Army in 1886. It will be seen that the expenditure upon the Army at the beginning of the period was about 14 millions sterling. It has now, notwithstanding that increase, come down to 13¼ millions sterling. Take the Civil Service, which includes Civil Departments, and includes pensions, salaries, annuities, and various other matters, all of which are of such utter abhorrence, with the exception of the Civil Courts, to the Honourable Mr. Mehta. Here also I would wish to point out that the expenditure has decreased. In the first three years it was 15·2 millions sterling, now it has come down to 11·8 millions. So that here, if you take the measure in sterling, the other services of the Government in all departments have immensely decreased in their burden. The result of all this naturally is that we have been lightening the incidence of the revenue and taxation. The land and forest revenue have come down from the

* *Vide* Appendix.

the standard of 18·8 million sterling to a standard of 14·6 million sterling. The items which are called taxation, such as salt tax and the like, have come down from a standard of 14¼ millions. They have lately gone up because there was an increase of a million in consequence of the customs duties imposed this last year, but, if that increase be left out of account, it will be seen that the total burden of taxation has during the 12 years under discussion slightly decreased from 14·4 to 14·1 million sterling.

"This is the result, as I say, of an examination of the accounts upon a sterling basis, and the argument that I wish to put before the Council is this, that, if the result of an examination of the accounts upon a sterling basis differs so utterly from the examination upon a rupee basis, the result must be due to the fact that the connection between the rupee and the sterling standard has during the intermediate period been altered. This is only one of numerous ways in which it can be shown that the expenditure of the Government of India has been kept not only within reasonable bounds, but that there has been, in one sense at any rate, a practical diminution of the burden upon the country for many years past. A rupee of burden now is less than what a rupee of burden used to be. We are now, after many years, increasing the sepoy's pay from Rs. 7 to Rs. 9. What is that but a result of the depreciation of the rupee? The rupee is a smaller amount now in this country than it formerly was. We require now to pay Rs. 9 for the kind of service which for many years we got for Rs. 7. There it is that the fall in exchange is perpetually hitting us, and I think that the Government of India can show by the account I have to-day presented that it has practised most marvellous economy, and has been able to meet this perpetually increasing demand without throwing correspondingly enhanced burdens upon the taxpayer.

"It is rather inconvenient to me that the honourable Member should be able to draw from the letters which have been written and made public by my predecessors, Sir Auckland Colvin and Sir David Barbour, an armoury of attack against myself, but in the first place there is a great deal that they say which I distinctly cannot admit. They have alleged, for example, the position of the Financial Member of this Council as an impossible one. He is in a perpetual minority, perpetually being driven against his will to sanction expenditure which he does not approve. In fact, I rather think they give it to be understood that the moment the Additional Members leave this room, the Commander-in-Chief promptly lays the Financial Member on his back upon the table, the other Members proceed to rifle his pockets, while his Excellency the President stands by, feebly deprecating the outrage. Now I wish to point out that, as a matter of fact, there is in the constitution of the Executive Council a weapon with which the Financial Member equalises his position with that of all the other Members combined. By a rule passed under statute about 10 years ago, it is ordained that the Financial Member in any matter of expenditure, if he is supported by the Viceroy, has an absolute veto over any measure, however it may be urged by the other Members of Council. I believe there is not a single instance in which this power has been exercised, but it exists, and the mere fact that no instance has occurred in which it has been exercised shows that the power which that rule gives to the Financial Member has been effective for the purpose for which it has been given. It obviously, in my opinion, throws upon the Financial Member the responsibility of accepting as his own every measure which comes up before the Council and which he does not actively protest against. He is not tied and bound by the votes of a majority. If he accepts a proposal of expenditure, he accepts the responsibility; if he declines it, the project is at an end if the Viceroy supports him; and, if the Viceroy does not go with him, he has the power which every Member of this Council has of recording a dissent. Of course it is easy to see from the statements of Sir Auckland Colvin made in the paper to which the honourable Member has referred, that he disapproved of the enhancement of the expenditure on the Army which took place ten years ago. But there is one thing that ought to be remembered, and that is that even the Financial Member (and I include myself) is not always necessarily in the right. I think, if the Financial Member finds himself in an absolute minority, he may reasonably consider that there is something to be said for the other view. The increase of the Army which took place ten years ago, although it was opposed by Sir Auckland Colvin,

Colvin, was accepted by the Government of India and by the Secretary of State. It must be taken, therefore, as a distinct policy approved by the highest authorities responsible for the administration of India, and as one in their opinion necessitated by the interests of the safety of the Empire.

" Then there is another matter to which the honourable Member referred, and in which I think he is a little unjust. He states that the Government of England are perpetually saddling us with charges which we do not know anything about, which we do not accept, and which we have no relief against. At the present moment I believe there is a Committee of the House of Commons going to sit upon the particular question he referred to. At all events, it must certainly be admitted that these subjects are highly controversial ones. I do not pretend to be able to give an opinion upon them. But to say that the Government of India has no relief in a matter of that sort, and that Her Majesty's Government at home can put any charges upon them when they like without affording any redress to the Government of India, is, I think, simply to say that the House of Commons does not exercise the authority which it is charged to exercise. The House of Commons is in these matters the ultimate authority. It is for the House of Commons to decide whether any particular charges are to be passed on to India or borne by Her Majesty's Government. And, when we know, as a matter of fact, that the House of Commons has appointed Committees to inquire into this matter, I do not think it is true in fact to say that the people of India have in these matters no relief or redress against injustice.

" I thought it right to deal first with the speech of the only honourable Member who took an adverse view of the position. I do not pretend to say that I have exhausted all the possibilities of economy in India. It may be possible to find others, but I think it is wrong to charge the Government of India with extravagance on the mere general ground that certain expenditure has reached a very high amount. That is the main charge of the honourable Member. He has pointed out—which may be perfectly true—that the military charges run away with more than the land revenue of the Empire. That may be true, but it does not amount to proving that we are extravagant in the matter of military charges. The question of the proper amount of military charges is a highly technical question, and I think that people, before they accuse the Government of going in for military charges on an extravagant scale, ought to be able to understand in some measure at least the principle on which these charges are fixed. The Bombay Presidency Association when they wrote their memorandum of last year seemed to me to show not the faintest conception of the manner in which the military charges are to be gauged. Now I would like to put to them one question, and to ask what their judgment upon it is. I would say to them—supposing it is necessary to send 50,000 men across the frontier, how will you distribute the garrisons that are to remain in India? That is the sort of problem that has got to be solved when you fix the total numerical amount at which the Army has to stand. When the Bombay Presidency Association, I do not say are able to give an answer to that question, but merely begin to comprehend the question itself, they will be in a position to give an opinion as to whether the military expenditure is extravagant or not; but when, as we know, their minds are an utter blank upon the subject, their opinion on the matter is worth absolutely nothing. It is useless for them to state that, in their opinion, as distinguished from the opinion of the highest military officers who have studied these questions, the standard of the military expenditure of the Government is too high. The honourable Member has referred to a statement which I made last year, in which I pointed out that the advice which we obtain from the body which he represents is always in the direction of giving up our revenue and increasing our expenditure. He says it is perfectly possible to reconcile these two things, but the method by which it is possible for him to reconcile it is one regarding which he will not enter into detail. That is exactly the complaint I make against suggestions of the kind. We get a large number of suggestions from that venerable body, the National Congress, and they pass resolution after resolution declaring everything they had previously said to remain as true as it ever was. They tell us that this revenue has got to be reduced, land revenue has got to be reduced, the income tax has got to be reduced, &c. This and other expenditure has got to be increased, and they have specified ever so

many increases of expenditure which ought to take place. My honourable friend tells me it is perfectly possible to explain and reconcile these two things. You have only got to decrease some other unmentioned and unspecified expenditure, but I should like to have some details of that expenditure which they want decreased. If the National Congress, in criticising the estimates of the Government of India, will give us an indication of any direction in which it thinks it practicable to pursue economy, I can assure him that it will be examined most thoroughly by every member of the Government concerned. But it is useless to pronounce for all sorts of increases in specific detail, and to talk of the decreases in vague generalities.

" My honourable friend Mr. James has asked me to pledge myself that, when the Post Office Department becomes a large revenue-paying Department, that when we begin to class it with land-revenue, opium, and salt, we shall not appropriate its funds, but strive to spend them upon the Post Office and upon its development. As the honourable Member says, this is the first year in which that head of service has contributed its mite to the general revenues, but I think he is counting his chickens before they are hatched when he begins to ask us what we are going to do with the huge surplus which is to roll in in after years. When the widow contributed her mite to the exchequer of the Temple, one of her virtues was that she made no fuss about it; but apparently the honourable Member, when he brings forward his little mite, rings up the high priest, and tells him, 'Now you be very careful, and don't let this mite which is coming in to you lead you into any notion of extravagance, but please remember that there may be claims upon it also.' But the truth is that the honourable Member has not done justice to the Postal Department of which he was himself so long the efficient head. By the manner in which we are obliged to keep our accounts, we are obliged to show the figures by services and not by departments. The consequence is that, as he points out, the head of 'Post Offices' bears a number of charges which are met out of revenue shown under other heads. In the same way, on account of the Post Office, we have to bear charges which appear under other heads; for example, the Public Works head and the heads of pensions, stationery, and general heads—all these include charges for the Department of Post Office. In the administrative accounts of the Post Office, which will be seen in its annual report, it will be observed that the Post Office as a Department has been for a long time a paying Department. It has for some years returned to the Government more than it has spent. I quite admit that the Post Office has claims upon us for its development, and I can only assure my honourable friend Mr. James that the claims of the Post Office in that matter will be very carefully weighed, and not rejected in consequence of any desire on the part of the Financial Department to appropriate the profits of the Postal Department to other and less worthy services.

" To note some of the details to which he has referred, he has asked us to consider the question of the connection of Kurrachee direct with the Home mail. I may say that this is a question which is before the Government of India, but I cannot say how soon it will be decided. It is obvious that contracts for Home mail service have to be made a long time beforehand, and the question of adding a Kurrachee line to the Home service can only be taken up when the question of the renewal of the contract is before us. Whether it will be ultimately considered worth paying for that service what a mail steamer would require for a weekly visit to the Port of Kurrachee, is a matter which must for the present remain open. He has also referred to the desirability of uniting the management of the Post Office and Telegraph. That is another of those great questions which inevitably arise in the course of our development, and will have to be settled in time; but there are such a vast number of questions of that sort which are constantly arising, that it is impossible for me to say anything more about it than that it will be duly considered. We live in India at a tremendous rate. We cover in twenty years the progress of something like a century in Europe, and the number of official questions that we have to decide during these twenty years is probably quite equal to the number which arise during a century in England. Therefore, we must have a little time to consider questions of that sort, and, if we do take a little time to consider them, it is not because we are willing to delay them or because we set our faces against change.

" I have

"I have taken some notes of the speech of my honourable friend, Sir Griffith Evans, and I admit so far what he says, that in the revised estimates a good deal of what has come in to our advantage may be taken as windfalls. I carefully worded my statement on the subject to indicate that that was my opinion; my statement was that the circumstances of the year were so favourable as to land us in a surplus, and I perfectly admit what he says, that a part of this surplus arises out of circumstances that may not recur another year. But as against this I want to take the opportunity of pointing out that there are two windfalls of the inverse sort. I did not mention them in the statement, because I had no occasion to bring forward apologies for a falling-off. But in the first place the land-revenue which has come in to us during the year is about Rx. 300,000, and possibly Rx. 400,000, less than the ordinary standard of a year of land-revenue. Large suspensions had to be made in two or three of the Provinces, and so far as regards the accounts of 1894-95 we received probably Rx. 400,000 less than, if the circumstances had been favourable, we would have received. There was also that immense falling-off in the Great Indian Peninsula Railway due to a bad season in the Central Provinces. There was also an extraordinary charge of Rx. 300,000 due to the anticipatory payment of interest arising out of the conversion of the loan. So that, if you bring those various items together, it would come to at least Rx. 800,000. I think I may claim to put this casual disadvantage against the improvement which arose to us out of a certain circumstance which is not an incidence of financial prosperity, namely, that of the short payments made to the opium cultivators. I do not think that, taken all round, the revenue we realised during the year 1894-95 is in any way less than the current standard of ordinary revenue appropriate to that particular period. I rejoice with him at our being apparently free of the faddism in opium and other matters which has been tying our hands so long. The honourable Member did not refer to another Commission which was also stimulated by home faddists, namely, the Commission on Hemp Drugs. We published in the last Gazette of India our Resolution on the report of that Commission, and it showed in the most distinct way that the wonderful stories which we have continually heard of ganja, as to its deleteriousness, and as to its driving people mad who partook of it, were all based upon the most utter prejudice. It has been shown by the Hemp Drugs Commission, just as it has been shown by the Opium Commission, that ganja and opium are gifts of God, which rightly used (as, by the consumers in this country, they are, with very few exceptions, rightly used) contribute largely to the health and enjoyment of the people of this country. I do not suppose that we shall ever get rid of the faddists at home. They are pretty sure to fasten upon something else. They have been very thoroughly defeated in these two things, but then there are so many old women of both sexes at home who have no business of their own to attend to, and are therefore so anxious to meddle in other people's affairs, that they are quite sure, sooner or later, to take up some other subject if they do not revive these old ones. It will be remembered that, when the Pharisee went down to the Temple to pray, he was not satisfied with merely thanking God that he was not as other men are, but he derived a particular self-satisfaction from being able to point to another man, and to add 'nor even as this publican.' And so it is with these Exeter Hall Pharisees. They are very anxious to find some concrete publican whom they can put forward as a foil to show off their own virtues. It is very comforting for them to know that they are not addicted themselves to the vices of opium and ganja, and so they start these Commissions in order to find out and denounce vices from which they themselves are free, and in order that their feelings of self-satisfaction may be increased by the knowledge that there are people who in some respects are worse than themselves. In both these cases judgment has gone against them. It has been declared that the publican has gone down to his house more justified than the other; for one thing is shown in these reports to be beyond doubt—that everything which can possibly be said against opium and ganja most certainly can be said with tenfold force against alcohol. I am very glad to see that the House of Commons has come to the conclusion that this Opium Commission should be paid for from Her Majesty's Home Treasury. I think it is a good principle that, when it is found that in an inquiry of this kind the Indian Government and the Indian people are absolutely in the right, the people at home should be made to pay the expense.

"I do not know whether your Excellency observed in "The Times" about a week ago what was called 'The Drink Bill of England.' It was shown there that the average consumption of the United Kingdom per head amounted to 3*l.* 10*s.* per annum, that is to say, that every man, woman, and child, spent on an average 3*l.* 10*s.* per annum on liquor. It seems to me something monstrous that the people who are capable of a huge average Drink Bill like this, should presume in such matters to make accusations against a country like India, where the people as a rule are absolute ascetics as compared with ordinary people in England, and to send out commissions of inquiry to convict them of indulgence in intoxicating drugs. I am very glad that the verdict has been so very completely given against them, and that it has been given against them, as His Excellency the late Governor General said in the House of Lords, 'with costs.'

"Another matter to which my honourable friend Sir Griffith Evans referred was a letter which he said had been written by, and which I admit to have received from, the Indian Currency Association. I regret that I cannot attribute to that document the value which he has assigned to it. It appears to have been written under the impression that the half-dozen gentlemen who form the Committee of that Association are charged, either by the Secretary of State or by the public, with the supervision of the proceedings of the Government which affect the currency, and that when they think the Government is going wrong they must call it to account and demand explanations. So far as I know the Secretary of State has not conceded them that authority, and as regards the public I can only say that the two sections of it which are most interested, and know most about the subject, namely, the Banking community and the Commercial community, will have nothing to do with them. The fact is that we thought they had exhausted themselves by the manifesto they issued last July after considerable parade, when they promulgated as their scheme for the restitution of the rupee, a plan by which the Government was alternately to buy silver and coin rupees, and to melt down rupees and sell silver, so as to manipulate exchange according to their free will. A scheme like this, to place in the hands of the Government a power to inflate and contract the circulation at its own pleasure, is opposed to the simplest canons of currency, and any banker would have told them the theory was impossible. The whole thing has dropped into the limbo to which currency schemes still-born are apt to be consigned. I was therefore somewhat surprised to find that the body to which the gentleman who signs the letter calls 'my Committee,' has suddenly sat round its table, and determined that the time has again come when it must assert its authority and call the Government to account.

"They seem to have thought that the Government was under some pledge to bottle up the whole of its rupees, which of course would mean the cessation of its annual and regular grant for capital expenditure. I refused in the beginning of the year to take any active measures for the disposal of the accumulated stock of rupees; but it seems to have been supposed that I meant altogether to stop the ordinary transactions of Government in the way of Railway capital construction and the like. The present estimates for expenditure in 1894-95 and 1895-96 upon Capital construction are only slightly in excess of the ordinary rate, that is, they come to about five crores a year, instead of four; and it is surely rather an exaggeration to talk of this, as the Currency Association has done, as a new departure, and a reversal of the currency policy inaugurated in June 1893.

"I have had to state more than once that the Government has no intention of re-opening the mints, and that is surely a clear indication that the policy of closing the mints is still the policy of the Government. I must say at once that I have no sympathy with the cry that twelve months have passed, and it is time to do something more, and to adopt some of those wonder-working schemes that will, upon purely theoretical grounds. raise the rupee at one bound to 16 pence. We are apt to forget, in the hurry of modern commercial life, that the march of economic causes to economic effects is a very slow progress. I have no currency theories of my own, and, to tell the truth, I dread those of other people; for I have never found any such theory (not even that of mint closing) which did not work out in practice to many quite unforeseen

results.

results. My business is with the practical side of the question, and in my view the currency of an Empire is far too important a matter for us to be perpetually playing experiments with it. It took 16 years at least from the time that the expedient of closing the mints was first discussed, till after elaborate inquiry by experts it was finally carried into effect. It is to my mind absurd to cry out before two more years are past that the time has come to launch out into some other experiment. It is certain that what may be called the stable condition due to the first act of closing the mints has not yet been reached; and, until we know a little better what the factors are which have contributed to establish the exchange value of our rupee, for the present, at about thirteen pence, it is in my opinion not the part of wisdom to create new ones in the hope that they will enhance the exchange value to a higher figure.

"But there is another special reason which seems to me, at the present moment at least, to forbid any action on our part. The attention of America, and of Germany, and latterly of England also, is being given to the question of the monetization, or at least of the restoration of the value, of silver. It is possible that we may find some relief in measures taken by, or in concert with, some of these nations. And it is certainly not our policy to cut ourselves adrift from the consideration of the question on these wider lines, by taking independent measures of our own, which may not suit the general policy. As I said last year, one consequence of our legislation of 1893 was to show that we would not continue alone to bear the burden of silver depreciation; and, if our action has forced the subject forward into consideration by other nations in their own interests, that is a result on which we may congratulate ourselves while waiting to see its further developments.

"With reference to the final inquiry of the Currency Association, which runs as follows,—'I am to ask whether, since contraction of the circulation by direct action of the Executive has been disapproved of by the Secretary of State, the Government of India will consider the alternative remedy of automatic arrangements for regulating the quantity of currency in circulation, such arrangements being based on a gold reserve in England to secure the convertibility of the rupee, for foreign payments only, into sterling drafts on London,'—I have only to inquire whether the Association attribute any definite meaning to these fine phrases, and, if they do, to ask them to be good enough to explain what is is.

"My honourable friend Mr. Playfair addressed himself at considerable length to the question of the purchase of stores. My honourable friend Sir Charles Elliott has been good enough to reply to some of the matters thus dealt with, but I should like to point out, with reference to the actual figures of these store accounts, that nothing like 2,000,000*l.* of stores can be stated as the amount to which any measures taken by the Government of India can apply. It is quite true that in the Home Accounts 2,000,000*l.* of stores are purchased, but, if the details are looked at, it will be found that the army alone runs away with nearly half the amount. These are warlike stores which obviously cannot be placed in the hands of contractors in this country. Then we have the preparation of currency notes, of stamps, and various other stores of that description, which must also be deducted from the total in order to arrive at any idea of the figure which might indicate the value of stores which it is possible to obtain through private hands. I am thoroughly in accord with the policy stated by my honourable friend the Lieutenant-Governor in transferring to this country as far as possible the preparation of such stores as are required for Government use, but the truth is that we have been very much disappointed in these matters. For example, my honourable friend Sir Henry Brackenbury attempted to get some of the clothing stores for the army in this country, but the arrangements broke down because it turned out that the articles could not be supplied or could not be supplied in time. The manufacturers simply broke their contract, not willingly, but because they had not the means to carry it out. My honourable friend the Lieutenant-Governor has referred to certain iron

stores in which he says he found that the manufacturers in this country could not supply the kind of material required. I promised my honourable friend Mr. Playfair that I would call the attention of the Local Governments to the desirability of their obtaining stores in this country wherever possible. I have a circular on that subject which has been agreed to by the Public Works Department, and which is now under issue and will probably appear in the next Gazette of India. In it we draw the attention of the Local Governments and indenting Departments to the policy which the Government of India has in this matter declared, and ask them to do their best to carry it out. I do not think that the Government of this country can reasonably be charged with any desire to suppress local manufacture or in any way to discourage it. For one thing, I may recall the instance of the Barrakar Iron Works. This was the first endeavour to establish an iron manufactory in this country; the undertaking was largely bolstered up by Government, who made considerable advances towards it, and finally succeeded in having a company created in order to carry on the works, and even now there is a proposal before Government which has for its object the promotion of these very works.

"I would ask my honourable friend Mr. Playfair, if possible, to endeavour to induce his clients to help the Local Government in this matter of stores. They can at least point out to indenting officers what kind of stores they can supply and what quality they can supply. But there is one principle which must be borne in mind in these matters, namely, that the Government will not employ people in this country merely to bring out stores for them from England. It has been proved over and over again, and most elaborate inquiries which have been made on the subject have shown, that by the method of indenting through the Secretary of State we obtain those stores of far better quality, and a far more reliable quality—a very important thing—and cheaper, than we can get them by indenting in this country upon merchants who are purely agents or middlemen and not manufacturers. I myself am very anxious to see the engineering industries of this country properly treated and given a fair chance, and I shall do all I can to promote the system of procuring from them stores which are partly manufactured in this country. With reference to the applications which my honourable friend Mr. Playfair has referred to as being made by these engineering firms, that they should not be weighted with the 1 per cent. duty at present levied on their material, while machinery is imported free, I can only say that the Government are at this moment giving the subject the most anxious consideration, and quite admit the difficulty which arises in connection with it.

"And now, my Lord, I have one thing more to say before I close, and that is to refer again to the statement which has been made that the Finance Minister's position in this Council is that of perpetually fighting a majority of expending colleagues who are opposed to him. I speak at present as Finance Minister and not as representing the Government of India, and I say again what I said last year, that I have throughout found myself in the most perfect accord with the other Members of Your Excellency's Government. I represent that side of Your Excellency's Government which has to enforce economical administration, but it would be ridiculous in me if I were to assume that I alone represent that side. The necessities of our financial position have impressed themselves upon my colleagues, as well as upon me; and, instead of their having continually pressed upon me recommendations for expenditure, which it became my duty as Finance Minister to oppose, they have far more usually undertaken themselves the invidious task of adverse criticism, and declared at once that, under present circumstances, the expenditure, however desirable, must be postponed.

"And I feel sure that they will concur with me in saying that the same spirit has manifested itself throughout in the local administrations and among heads of departments. As I said 12 months ago, no one who has not had to deal with these matters in detail can realise how perpetual are the calls for necessary expenditure in India. With a public service everywhere developing and expanding, and perpetually kept at almost starvation standard, every earnest worker has it perpetually impressed upon him how much more he might do if he were only allowed a little more money. A period of severe economy, such as we have passed through during the past 12 months, and such as we are still under the obligation to continue, involves the efforts of numberless officers, high

high and low, not only to restrict and reduce expenditure within their control, but to carry on their duties with greater labour and under greater disadvantages. All of these have taken their share and take their part in the burden of a rigid economy. I have not found myself a solitary voice of economy crying in a wilderness of extravagance, but have found myself aided and supported in every way in the determination, common to myself and my honourable colleagues, that the Estimates framed 12 months since on a basis of severe economy should be accepted, not only in their letter, but in their spirit, as the rule of expenditure for the year."

His Excellency the *President* said:—"I am afraid that I cannot gratify the curiosity of the Honourable Mr. Mehta, and add to the information which he seems to have obtained from some unknown source, of what takes place when the Council of the Governor General meets in this Chamber without the additional members who give their assistance in making laws and regulations. Even with the explanation of the Honourable Sir James Westland, I must not be taken as admitting the accuracy of this information; but in any case the honourable Financial Member speaks here as the representative of the Government on the general financial position. It is therefore no part of my duty to do more than to emphasise the fact that is apparent from the speeches of the honourable Member and Sir Henry Brackenbury, and from the events that have taken place elsewhere, that the Government of India and Her Majesty's Government are thoroughly in accord in promoting and maintaining the measures which the necessities of India may require.

"There is only one section of the general Financial Statement on which I wish to say a word, and that is the section, beginning with paragraph 59, dealing with the conversion of the 4 per cent. Debt. The Honourable Mr. Playfair has, I think, expressed the public appreciation of the success of this operation which has resulted in a large saving to the Imperial revenues, and has been carried out in a manner calculated not only to ensure success, but to cause as little inconvenience as might be to individuals, or to the money market.

"The honourable Financial Member in paragraph 74 has conveyed to the Banks the thanks which are undoubtedly due to them for their exertions. There was one word which he could not add. I think I ought to say that Her Majesty's Government left the conduct of this matter to the Government of India, and have recorded in a despatch lately received their high appreciation of the manner in which the work has been done by the Financial Department, and especially by the Member in charge. I know that the honourable Member modestly attributes much to a good opportunity, but it is not everyone who knows how to use a good opportunity well; and, as one who has stood by and seen every stage, I think it my duty to bear witness to the tact, resolution, and knowledge displayed in this business by my honourable colleague and his chief coadjutor, Mr. Jacob.

"There is one other subject which has been referred to in this discussion on which I have something to say. The Honourable Sir Griffith Evans called attention to the Chitral Expedition in terms to which I wish to take no objection. I recognise that he speaks with no intention of embarrassing the Government, and I am sure he will appreciate my observation that, while it is easy for him to put general questions and raise questions of general policy, it is quite a different thing for me to follow him over all the ground that he has covered.

"It is desirable that the position of the Government of India in Chitral should be clearly understood. So long ago as 1876 the Mahárájá of Kashmir was permitted to accept the Chitral Mehtar's offer of suzerainty, and the Government of India then undertook to afford countenance and material aid to Kashmir in the defence or maintenance of this arrangement. This pledge has been repeated to Kashmir and also directly to the late Mehtar of Chitral. The Kashmir State and the Government of India have both for years granted annual subsidies to the ruler of Chitral. When the British Agency at Gilgit was withdrawn in 1881, the Kashmir State was assured that the Government

of India nevertheless adhered to their policy with regard to Chitral. This policy has been to accept the *de facto* Mehtar, provided he could maintain his position and accepted the suzerainty of Kashmir.

"One of the consequences of the re-establishment of the Gilgit Agency in 1889 has been that the legitimate influence of the British Government has been maintained by the presence in Chitral territory of an officer who is an assistant to the British agent at Gilgit, with a small escort of regular troops supported by garrisons at Gupis and Ghizr in Yasin. His headquarters have been at Mastuj, but he has been in the habit of visiting the Mehtar at Chitral. This arrangement has been cordially acquiesced in by successive Mehtars. The late Mehtar would have preferred to keep the British officer permanently with him in Chitral itself, but the Government of India declined to increase more than necessary the unavoidable risks of the position.

"It was foreseen that, in case a British officer were in Chitral, and should Nizam-ul-Mulk come to an untimely end in spite of his presence, his position would be one of extreme danger.

"At the time of the murder of Nizam-ul-Mulk in January last Lieutenant Gurdon, the political officer, was on a visit to Chitral with an escort of only 10 men. By great prudence and tact he avoided any collision with Amir-ul-Mulk and his party, and the arrival of a reinforcement of 50 men from Mastuj enabled him to maintain his position till he was joined on 1st February by Mr. Robertson, the British agent at Gilgit.

"That Lieutenant Gurdon's position was one of danger was realised by Mr. Robertson and by the Government of India from the moment that they received the news of Nizam-ul-Mulk's murder. It was impossible for him to withdraw with safety. On 8th January Mr. Robertson wrote to Lieutenant Gurdon:—

> 'If there is any prospect of trouble, sit tight and send off urgent messengers to Mastuj and Ghizr, and do not commit yourself and your escort to that terrible road along the left bank of the river between Mastu and Chitral.'

"Recent events have only too terribly confirmed the wisdom of that advice. It was, therefore, essential that he should be supported or relieved in some manner. It was also considered by the Government to be desirable that Mr. Robertson should go to Chitral to endeavour to bring about a peaceful solution of the succession, a very difficult task for which his experience specially qualified him. He was instructed to report to the Government of India what claimant would be most acceptable to the people.

"All this was in the regular course of business. But at this point Umra Khan appeared on the scene, perhaps as a partner in the plot for the murder of the Mehtar, but at all events as an aggressor, who laid siege to the frontier fort of Kila Drosh. There is no community between the people of Bajaur and the tribes subject to the Mehtar of Chitral, who are different in race, in sentiment, and in character, Umra Khan has entertained for some years past aggressive designs upon Chitral, and has openly acknowledged his enmity with the ruling family. The Government of India have had on several occasions since 1891 to warn Umra Khan that aggression in Chitral would be regarded with disfavour. Umra Khan could make no pretence of a right to interfere in the Chitral succession. He had acknowledged the relative positions of Chitral and the Government of India when in 1890 he himself applied to the Government of India to mediate between him and Chitral in regard to their respective claims to land, which, however, he subsequently occupied by force when the old Mehtar, Aman-ul-Mulk, died in 1892. On the occasion of making his present invasion into Chitral territory, he represented, in writing, to the officers of the Government that he had no design of interfering in the business of Government, but that Amir-ul-Mulk had opposed his wishes, and he had been compelled to become his enemy. Still, the fact remains that it was in defiance of warnings that he came, and it is in defiance of renewed warnings that he still remains.

"Umra

"Umra Khan was joined about the 24th February by Sher Afzal., This man is a brother of the former Mehtar Aman-ul-Mulk, and therefore uncle to the last two rulers. He had long been a refugee from Chitral in Badakshan, whence he made a sudden raid on Chitral in November 1892, killed his nephew Afzul-ul-Mulk, and usurped the power. His rule was short, for, when Nizam-ul-Mulk advanced on 1st December 1892, he had not sufficient support to hold his own, and fled to Kabul, whence he has now re-appeared as a claimant for the Mehtarship. There is reason to believe that he has by no means the unanimous support of the people, but under certain circumstances he might have proved an acceptable candidate. He has, however, come with the open support of Umra Khan, has identified himself with the defiance of the Government of India, and has sent an insolent letter to the British Agent, requiring the withdrawal of all British officers from Chitral, and threatening an advance of Umra Khan's troops should they not be withdrawn.

"It has been necessary to say this much to enable a just view to be formed of the circumstances. Mr. Robertson, in the exercise of his duty as the representative of the Suzerain Power, is present in Chitral. Under ordinary circumstances the forces and supplies at Gilgit would have sufficed for the maintenance of peace and of our proper influence and position. But the circumstances are not normal; the presence of Umra Khan has disturbed the calculations on which the existing arrangements were based. I can best describe the effect of the invasion in Mr. Robertson's own words. Writing from Mastuj on 28th January, he said—

> 'Umra Khan invested Kila Drosh on the 26th, and has effected a complete change in the situation. All Chitralis are united to resist Umra Khan.'

"In the same letter he said—

> 'Gurdon cannot withdraw from Chitral without our help; and, if he made any sign of retiring, we should be mobbed and overwhelmed by crowds of fugitives. Chitral is in a state of panic. We cannot get to Chitral before the 31st.
>
> 'Umra Khan is credited with a desire to arrest Gurdon, by some people. When we get to Chitral, the situation is not much better, except that Gurdon will be safe.
>
> 'If Umra Khan advances rapidly with the most overwhelming force, even then we can hardly retire with prudence; the road is so terribly bad.
>
> 'Supplies, if they can be purchased, cannot be brought in at present, as all men are away fighting. My present idea, subject to subsequent alteration or modification, is to try and get to Chitral and hold the fort there, to the bitter end if necessary. If Umra Khan fails at Kila Drosh, or makes no further advance, it is only the supply question which should then trouble us.'

"The fall of Kila Drosh still further accentuated the difficulty. Up till then Mr. Robertson had, after reaching Chitral, maintained most scrupulously the attitude of non-interference prescribed by his instructions, in spite of repeated requests from the Chitralis. But, when Umra Khan had thus committed himself to an act of open hostility, the Government of India felt that, however unwilling they might be to recognise Amir-ul-Mulk as Mehtar, he was there *de facto*, and they were bound to authorise Mr. Robertson to give the Chitralis such material and moral support as was necessary to repel the invaders; and they at the same time gave orders for the reinforcement of the various garrisons so far as troops were available in the Gilgit District. I was a little sorry to hear the remark made by the honourable Member, which might be taken, though I am sure he did not so mean it, as somewhat disparaging to our officers in the Gilgit District. I have before me a list of those officers; and it contains many names of men who, though perhaps comparatively young, have seen much service of the kind they are now called upon to perform, and have been specially selected for the present duty. We are not able at present to write the history of recent events; but we do know that in a moment of emergency Lieutenant

Gurdon, one of these officers, not only kept his head, but showed a courage and resource that would have done credit to the most experienced. I should also mention that Colonel Kelly, commanding the Pioneer Regiment, the senior officer, is now in military command. The orders for the reinforcement of the garrisons issued from Calcutta on 19th February, before Sher Afzal had appeared on the scene, and when the matter before Mr. Robertson and the Government of India was the rendering of assistance to Chitral in protecting the country from an invader, not the support of one candidate against another.

"It soon became apparent that further measures were necessary; and, when, after 1st March, all communication with Mr. Robertson ceased, the Government of India were forced to review the position. Shortly it was this: that Mr. Robertson, our duly accredited Agent, who had been obliged to push on to Chitral, as I have stated, by the paramount necessity of securing Lieutenant Gurdon's safety, was himself cut off by some agency of which we knew little, but which could scarcely be other than hostile. We knew that Mr. Robertson did not regard himself in any immediate danger. He held the fort, a strong position, with about 300 men, and he said that any attack on the fort was 'as improbable as its accomplishment would be impossible'; but his communications being cut, any attempt to replenish his supplies was a very difficult operation, how difficult and dangerous has since been seen. The Government of India were bound by every consideration to relieve their officers from such a position, which, if not immediate, was certainly one of proximate danger.

"Now, reinforcements could not be sent by Kashmir and Gilgit, because the passes are closed by snow until June at earliest, when it would be too late to relieve Mr. Robertson by that circuitous route. There was but one alternative, an advance from Peshawar; and the hostile combination of Umra Khan and Sher Afzal gave an additional justification for its adoption.

"Jandol lies between British India and Chitral on the only road open at this time of the year, and the Government of India have come very reluctantly to the conclusion that, as Umra Khan will not listen to remonstrances, but persists in a course which must result in danger to Mr. Robertson and his party, they have a duty which they must perform, and that is by entering his territory to compel him to look to his own affairs.

"On the best information available, the Government believed that Mr. Robertson's supplies ought to suffice till about the end of April, and the orders for the collection of transport, issued on 7th March, were calculated to enable his relief to be effected by that time. Subsequent arrangements have been made with the same object.

"I have no doubt that honourable Members will agree that the disaster to Captain Ross's party in their attempt to reach Chitral from Mastuj has made it apparent that these orders were not issued a day too soon, and has established the necessity of the expedition.

"It may be desirable to indicate the considerations which have determined the strength of the force which is being mobilised. The Government of India have proclaimed to the tribes along the Peshawar border the object with which this expedition will go forth, and that their independence is absolutely assured; and it is hoped that their concurrence will be obtained. But the Government of India cannot shut their eyes to the fact that they have to secure a long and difficult line of communications, and they are of opinion that in the interests of peace this must be held in great strength. Any resistance offered not merely to the fighting line, but to its supports or convoys, might leave behind fresh grounds of quarrel, and the Government of India, while they must push on to their goal and insist, by force if necessary, upon the removal of the hostile aggression which menaces their officers in Chitral, desire, above all things, to avoid any step which may lead to any extension of the frontiers of British India, or any interference with the independence of the tribes. For the attainment of these objects it is necessary not only to use every effort to convince the tribes of our friendly intentions to them, but also to advance, now that an

advance

advance has become inevitable, in such force as to make it evident that any hostility on their part could be instantly and effectually crushed.

"I hope that honourable Members will admit that, in laying before them the information in my possession and the object of the Government, I have spoken with the utmost frankness. I am not going to obscure what I have endeavoured to make clear by being drawn into a disquisition on frontier policy, which might not in any event be very appropriate in this Council, certainly never so inappropriate as now. For the present we have before us a single issue, the claim of brave men, British and Indian, who have not flinched in the performance of their duty, to the support of their countrymen in their hour of need. It is a claim that I believe will go straight home to every British and Indian heart, that will inspire our counsels with unanimity, and will quicken the step of every man whose duty calls him forth on this expedition."

APPENDIX.

STATEMENT of NET REVENUE and EXPENDITURE of the GOVERNMENT of

PART I.—INCOME.

REVENUE.	1883-84.	1884-85.	1885-86.	1886-87.	1887-88.	
Rate of the year, *i.e.*, £1=Rx.	1·229	1·243	1·315	1·376	1·420	
I.—LAND REVENUE, &c.:	£.	£.	£.	£.	£.	
1. Land Revenue	18,022,075	17,525,191	17,147,163	16,729,229	16,294,281	1
2. Forest	854,683	792,243	824,134	801,176	789,794	2
3. Tributes from Native States	586,472	562,367	524,483	505,365	523,583	3
	19,463,230	18,879,801	18,495,780	18,035,770	17,607,658	4
Deduct,—Assignments	*645,784*	*670,307*	*692,121*	*730,206*	*718,838*	5
Net	**18,817,446**	**18,209,494**	**17,803,659**	**17,305,564**	**16,888,820**	6
II.—OPIUM	7,778,354	7,092,629	6,801,410	6,498,897	5,995,828	7
Deduct,—Assignments	(*a*)	(*a*) *241*	(*a*) *228*	(*a*) *218*	*1,180*	8
Net	**7,778,354**	**7,092,388**	**6,801,182**	**6,498,679**	**5,994,648**	9
III.—TAXATION:						
1. Salt	4,974,166	5,210,216	4,805,256	4,816,110	4,672,737	10
2. Stamps	2,827,757	2,865,278	2,751,600	2,693,030	2,698,190	11
3. Excise	3,098,453	3,206,333	3,138,216	3,151,325	3,169,322	12
4. Provincial Rates	2,334,570	2,240,774	2,247,322	2,175,050	2,131,624	13
5. Customs	941,060	808,531	888,040	885,259	927,160	14
6. Assessed Taxes	415,234	399,739	369,092	964,829	993,858	15
7. Registration	210,062	229,859	233,500	216,514	218,390	16
	14,801,302	14,960,730	14,433,026	14,902,117	14,811,281	17
Deduct,—Assignments	*362,623*	*355,558*	*369,841*	*321,079*	*314,310*	18
Net	**14,438,679**	**14,605,172**	**14,063,185**	**14,581,038**	**14,496,971**	19
IV.—COMMERCIAL SERVICES (*i.e.*, Post Office and Telegraph)	(*b*)	(*b*)	(*b*)	(*b*)	(*b*)	20
V.—MISCELLANEOUS RECEIPTS (*i.e.*, Mint, Gain by Exchange, and Miscellaneous)	**120,295**	**126,146**	**308,389**	**78,397**	**694,723**	21
	41,154,774	**40,033,200**	**38,976,415**	**38,463,678**	**38,075,162**	22
Excess of Expenditure over Income		310,900	2,130,960		1,428,544	23
	41,154,774	**40,344,100**	**41,107,375**	**38,463,678**	**39,503,706**	24

(*a*) Compensations to Native States, &c., are included under Assignments on account of Land Revenue, &c.
(*b*) In these years the Expenditure exceeded the Income.

APPENDIX.

INDIA, in INDIA and in ENGLAND, for the Twelve years from 1883–84 to 1894–95.

PART I.—INCOME.

	1888–89.	1889–90.	1890–91.	1891–92.	1892–93.	1893–94.	1894–95 (Revised Estimate.)
	1·465	1·449	1·327	1·434	1·602	1·606	1·833
	£.	£.	£.	£.	£.	£.	£.
1	15,676,352	16,515,201	18,085,707	16,664,511	15,515,693	15,478,837	13,887,800
2	919,395	1,023,909	1,087,388	1,035,323	992,023	1,041,712	895,900
3	508,593	536,813	573,145	541,017	493,319	469,030	434,700
4	17,104,340	18,075,923	19,746,240	18,240,851	17,001,034	16,989,579	15,218,400
5	*704,397*	*715,859*	*777,354*	*740,164*	*704,221*	*668,363*	*604,800*
6	**16,399,943**	**17,360,064**	**18,968,886**	**17,500,687**	**16,296,813**	**16,321,216**	**14,613,600**
7	5,843,425	5,924,414	5,938,704	5,586,403	4,990,583	4,017,036	3,993,800
8	*1,139*	*21,689*	*3,589*	*3,305*	*6,014*	*2,977*	*2,800*
9	**5,842,286**	**5,902,775**	**5,935,115**	**5,583,098**	**4,984,569**	**4,014,059**	**3,991,000**
10	5,207,389	5,626,872	6,397,364	5,994,767	5,385,852	4,908,048	4,696,300
11	2,650,231	2,788,933	3,031,841	2,938,763	2,743,960	2,701,375	2,490,000
12	3,193,213	3,355,793	3,706,295	3,546,707	3,253,072	3,244,615	2,892,300
13	2,072,893	2,349,222	2,628,213	2,438,447	2,309,310	2,123,267	1,940,400
14	888,471	1,006,545	1,279,095	1,153,423	973,260	992,230	2,027,100
15	1,026,824	1,091,745	1,206,610	1,142,118	1,043,019	1,041,071	971,000
16	225,730	243,621	274,821	277,801	267,644	251,544	226,100
17	15,264,751	16,462,731	18,524,239	17,492,026	15,976,117	15,322,150	15,344,100
18	*308,763*	*328,558*	*357,246*	*324,578*	*268,630*	*254,954*	*237,500*
19	**14,955,988**	**16,134,173**	**18,166,993**	**17,167,448**	**15,707,487**	**15,067,205**	**15,106,600**
20	(c) 25,972	(c) 24,511	17,194	(c) 56,207	(c) 39,129	36,833	106,800
21	732,025	473,596	327,977	195,215	249,060	242,089	190,100
22	37,956,214	39,895,119	43,416,165	40,502,655	37,277,058	35,681,402	34,008,100
23	- - -	- - -	- - -	- - -	520,354	937,651	—
24	37,956,214	39,895,119	43,416,165	40,502,655	37,797,412	36,619,053	34,008,100

(c) Telegraph only.

APPENDIX—*continued.*

STATEMENT of NET REVENUE and EXPENDITURE of the Government of India, in

PART II.—EXPENDITURE

	1883-84.	1884-85.	1885-86.	1886-87.	1887-88.	
Rate of the Year, *i.e.*, £1=Rx.	1·229	1·243	1·315	1·376	1·420	1
	£.	£.	£.	£.	£.	
I.—DEBT SERVICES	2,985,083	3,143,904	2,762,365	2,645,117	3,305,990	2
II.—MILITARY SERVICES:						
1. Army	13,964,449	12,991,745	14,553,030	13,473,224	13,629,762	3
2. Military Works	793,967	731,487	705,645	634,602	839,064	4
3. Special Defence Works	- -	- -	- -	236,636	321,091	5
TOTAL	14,758,416	13,723,232	15,258,675	14,344,462	14,789,917	6
III.—COLLECTION OF REVENUE:						
1. Land Revenue (including District Administration).	2,709,953	2,705,880	2,596,871	2,517,505	2,455,049	7
2. Opium	1,509,944	2,386,693	2,325,632	1,983,236	1,707,195	8
3. Forest	529,679	546,582	517,952	523,060	506,822	9
4. Other Heads	838,071	863,524	798,323	851,444	784,507	10
TOTAL	5,587,647	6,502,679	6,238,778	5,875,245	5,453,573	11
IV.—COMMERCIAL SERVICES:						
1. Post Office and Telegraph	334,409	354,955	329,940	158,206	129,380	12
2. Railways	248,463	846,145	556,533	863,817	1,494,417	13
3. Irrigation	446,211	460,998	544,177	475,231	526,241	14
TOTAL	1,029,083	1,662,098	1,430,650	1,497,254	2,150,038	15
V.—CIVIL SERVICES:						
1. Civil Departments	8,086,056	8,342,792	8,226,740	8,165,932	8,034,463	16
2. Miscellaneous Civil Charges	2,974,063	2,940,517	2,932,492	2,805,637	2,805,368	17
3. Famine Relief and Insurance	1,239,560	1,245,670	1,140,883	224,568	64,363	18
4. Construction of Railways (charged against Revenue in addition to that under Famine Insurance).	(*a*) —*143,503*	211,989	480,734	133,044	56,995	19
5. Civil Works	3,486,545	2,803,677	2,237,600	2,616,837	2,582,058	20
	15,642,721	15,544,645	15,018,449	13,946,018	13,543,247	21
Add or *Deduct*,—Provincial Surplus or Deficit	*378,246*	*232,458*	398,458	25,918	260,941	22
TOTAL	15,264,475	15,312,187	15,416,907	13,971,936	13,804,188	23
	39,624,704	40,344,100	41,107,375	38,334,014	39,503,706	24
Excess of Income over Expenditure	1,530,070	- -	- -	129,664	- -	25
	41,154,774	40,344,100	41,107,375	38,463,678	39,503,706	26

(*a*) This year the Income exceeded the Expenditure.

APPENDIX—*continued.*

India and in England, for the Twelve Years from 1883-84 to 1894-95—*continued.*

PART II.—EXPENDITURE.

	1888-89.	1889-90.	1890-91.	1891-92.	1892-93.	1893-94.	1894-95. (Revised Estimate.)
1	1·465	1·449	1·327	1·434	1·602	1·606	1·833
2	£. 2,641,427	£. 2,324,600	£. 2,460,337	£. 2,395,469	£. 2,188,112	£. 2,164,348	£. 2,324,100
3	13,130,215	13,620,789	15,002,389	14,990,420	14,082,438	13,578,910	12,621,700
4	727,274	755,786	886,851	812,071	718,073	687,762	519,100
5	538,868	475,915	370,708	421,714	285,997	196,070	100,700
6	14,396,357	14,852,490	16,259,948	16,224,205	15,087,408	14,463,642	13,241,500
7	2,398,142	2,501,602	2,771,128	2,673,936	2,457,719	2,437,540	2,239,800
8	1,772,972	1,107,926	1,643,712	1,298,098	1,000,543	1,137,431	898,000
9	540,510	538,420	591,002	588,404	540,217	549,382	509,500
10	763,799	769,554	865,840	850,670	769,571	773,803	752,100
11	5,475,423	4,917,502	5,871,682	5,411,108	4,768,050	4,898,156	4,399,400
12	(*b*) 41,570	(*b*) 52,025	(*a*)	(*b*) 32,773	(*b*) 18,525	(*a*)	(*a*)
13	1,524,205	1,278,759	518,026	220,227	1,153,236	930,684	1,318,400
14	492,906	456,690	429,282	469,216	325,655	343,154	297,900
15	2,058,681	1,787,474	947,308	722,216	1,497,416	1,273,838	1,616,300
16	7,852,124	8,061,461	8,874,456	8,504,500	7,899,498	7,883,394	7,254,300
17	2,759,229	2,821,064	2,980,415	3,009,484	3,035,303	2,976,526	2,921,400
18	53,461	414,150	452,232	884,301	696,857	677,511	28,100
19	15,288	3,433	(*c*) —3,627	113,810	211,964	44,793	11,000
20	2,484,379	2,531,043	2,943,271	3,079,564	2,523,541	2,425,522	2,028,500
21	13,164,481	13,831,151	15,246,747	15,501,659	14,367,163	14,007,746	12,243,300
22	194,582	378,945	*149,709*	*167,978*	*110,737*	*188,677*	*356,800*
23	13,359,063	14,210,096	15,097,038	15,423,681	14,256,426	13,819,069	11,886,500
24	37,930,951	38,092,162	40,636,313	40,176,679	37,797,412	36,619,053	33,467,800
25	25,263	1,802,957	2,779,852	325,976	- - -	- -	540,300
26	37,956,214	39,895,119	43,416,165	40,502,655	37,797,412	36,619,053	34,008,100

(*b*) Post Office only.

(*c*) Refund of past Expenditure.

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